

# Chez Max

Aquila CEO Max Cotting glides easily between the worlds of fine dining and wealth management, bringing quality service to both



# A feast of quality

*Max Cotting makes combining his seemingly disparate passions of being a mountain restaurateur and an independent wealth management guru look easy, but they're not necessarily worlds apart once you take a closer look*



ASHLEY LOWE  
Reporter, Citywire Switzerland

Depending on when and where you meet Max Cotting, you could have very different ideas about what he does for a living.

During the week, he is a figurehead in Zurich's financial world as the CEO of Aquila, Switzerland's largest wealth management platform.

At weekends, however, his life looks a little different. Alongside his wife Vrony you'll find him in Zermatt running Chez Vrony, a historic mountain and ski restaurant a stone's throw from the Matterhorn, where he manages reservations and handles administration and staffing, while his wife cares for the guests.

'I have a job, but I also have a passion,' Cotting says.

He is a banker by trade, with a career spanning decades. Prior to founding Aquila in 1999, the 63-year-old spent eight years as a member of the executive board

at Clariden Bank in Zurich. He also held management positions at Bank Heusser and Solothurner Kantonalbank.

He moved to Zermatt in 1997, following his marriage to Vrony, whose ancestors had founded Chez Vrony over 100 years prior.

'In 1999, I had this idea of creating a platform and going on my own in order to live between my two bases, Zermatt and Zurich, more easily,' Cotting says. 'In the beginning, it was just me; we had no partner companies, no investors. The platform was built step-by-step and financed by taking no salary and by keeping back earnings.'

Twenty years on, Aquila now comprises 220 partners and runs approximately CHF 13 billion for around 5,000 clients. The parent company, Aquila Ltd, employs 55 and acts as a service centre for independent asset managers.

It has also held a banking licence since 2012, providing custody brokerage and payment





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services in addition to its platform offerings, which include administration, accounting, operations and compliance.

According to Cotting, his experience managing Chez Vrony has more in common with heading up Aquila than meets the eye.

‘A big challenge in finance is how you serve your clients, which is also the most important aspect of hospitality. When you book a table, you want to do it immediately. When you enter the restaurant, you expect a warm and personal welcome. You don’t want to wait too long to get the

menu and you expect the food to be good,’ he says.

‘It is service oriented, and that is something I try to bring to Aquila and our model. Our partners at Aquila pay a franchise fee for our services – they are clients, not employees. High quality and a focus on service is our most important characteristic.’

**RAMPED UP REGULATION**

While the firm was built up through Cotting’s personal network, he explains that part of the reason Aquila has grown so significantly over the past

two decades, and in particular over the past three years, is due to increasing regulation in Switzerland’s financial industry.

FinSA and FinIA are due to hit the country early next year, leaving those who are unprepared or underprepared scrambling for a way to survive.

‘We have these new regulations, which apply to 3,500 asset managers in Switzerland. They need minimum capital, liability insurance, internal controls and to manage compliance tasks. If you’re not a minimum of three to four people, I don’t think you’ll be able to

manage all of these tasks. Being on a platform like ours gives them the freedom to be a small boutique,’ Cotting says.

Furthermore, he says independent asset managers are keen to prove their credibility – something that has become especially important in a post-banking secrecy era, and which is made easier by tying into a larger network.

‘If you’re part of a group, then you have more credibility when it comes to questions of professionalism. If you start your own firm and tell the client, “I’m a one-man show, somewhere in a small office”, it isn’t the same as being both independent and part of the largest platform in Switzerland. It offers your clients more credibility,’ he says.

‘Preserving partners’ individuality is something sacred to Cotting. He cites it as one of the biggest lessons he has learned in leading the firm, and something key to remember when competing in one of the world’s most cutthroat markets.

‘You cannot compare an asset manager who works on his own to one who works as an employee at a bank. The independent asset manager is so close to his clients, it is not uncommon for them to become friends. I think this is the unique selling point of the independent asset manager – each person is different and has different clients that they serve. And, as an independent asset manager who has managed their clients’ money for 20 to 30 years, you cannot simply sell your clients to another buyer or another company.

‘This is something I have had to realise – how these people’s work is different than if they were employed at a bank. Independence is the first factor.’

**OVERCOMING ROADBLOCKS**

Growth has not come without its challenges, however. Similar to those its clients face, Cotting explains that Aquila’s greatest obstacles lie in automation and administration.

‘As one of our services, we

“I don’t believe in acquisitions. I am convinced that acquisitions in the independent asset management business do not work”

do the accounting for all of our partner companies. We book all of their payments, their income and outflows. This is done by three different booking systems. To automate this process and reduce costs is a challenging project.’

He also notes the importance of digitisation, something the industry as a whole is having to adapt to.

‘The typical asset manager has five to six custodian banks, and to bring them together into one tool, one balance sheet, is a huge challenge for the next three-to-five years. To serve the client with their portfolio information on a mobile phone, or to give them the possibility to talk to you wherever they are – these are the facts we have to manage.’

What’s more, he believes the industry is shrinking in Switzerland, which makes growth a struggle across the board.

‘As a platform, we are growing. However, the size of the Swiss financial industry is decreasing, which is a challenge. We have seen dramatic changes over the past 10 years. Now, the main goal for the future is to get back to growth and to regain clients,’ he says.

**LOOKING FORWARD**

While the industry is plagued with rumours of consolidation, Cotting has no plans to merge Aquila with another platform, or to acquire any competitors. In fact, he is vehemently opposed to the idea.

‘I don’t believe in acquisitions.

I am convinced that acquisitions in the independent asset management business do not work,’ he says. ‘We are not buying or selling clients. What we do, if our partners would like to retire, is we help find new partners to take over their clients. But that’s on a very individual basis.’

Instead, Cotting plans to beef up digitisation and to continue to attract partners organically.

‘We would like to double our partners by 2025, which is quite ambitious,’ he notes.

For now, he is keeping his approach to the future steady.

Much like the mountaineers who have found themselves basking in valley views for over a century at Chez Vrony, he plans to keep pulling the firm ahead in a way that is tried and true: ‘Step-by-step’.



**MAX COTTING**

2000 – PRESENT  
Executive board chairman, Aquila Ltd

Founder and director, the Aquila platform

1998 – 1999  
Executive board member, Clariden Bank

1993 – 1998  
Management board chairman, Bank Heusser

1987 – 1993  
Executive board member and head of private banking, Solothurner Kantonbank

1975 – 1987  
Investment adviser, securities director, Credit Suisse