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IN PERSON

Getting to know the executives who make business tick

Austin V. Shapard, president and CEO of Fiduciary Trust, says "the goal here is distinctiveness."

EXECUTIVE PROFILE

A wealth of opportunity

FIDUCIARY TRUST'S AUSTIN SHAPARD SEES SHOP'S UNIQUENESS AS ITS GREATEST ASSET

BY GREG RYAN
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Since Austin Shapard took over as chief executive of Fiduciary Trust in 2014, his primary mission hasn't been to pump up its assets or head count. It's been to make the wealth management company as unique as the hexagonal tower-on-a-stilt in which it sits, across the Rose Fitzgerald Kennedy Greenway from South Station.

"The Boston wealth management market is one of the most competitive markets in all of America," Shapard said. "You have every national competitor here, you have a significant presence of local and regional competitors, and you also have a unique situation where law firms are engaged in this business."

To stand out in a crowded field, Shapard is seeking to position Fiduciary as the type of wealth manager Goldilocks' family office could entrust with her fortune: a privately owned firm that can avoid a large public company's emphasis on short-term growth, but with enough scale to offer the types of services that a small family shop cannot.

In December, for instance, he hired Scott Sumner from State Street to lead Fiduciary's custody services division. Sumner is tasked with pursuing clients with fewer than $1 billion in assets under management that Shapard believes are being left behind by large custodian banks and wirehouses.

▶ CLOSER LOOK

AUSTIN SHAPARD

Title: President and CEO, Fiduciary Trust

Age: 44

Education: Bachelor's degree in history, Yale University, 1993; master's degree in business administration, Wharton School of the University of Pennsylvania, 1998

Residence: Beacon Hill

"The goal here is distinctiveness," Shapard said of Fiduciary, which supervises more than $11 billion in assets. "That's a very different goal from a lot of other people. It means that clients, when they speak about us, they say, 'Wow, only Fiduciary can do this.' "

Shapard brings a fresh eye to Boston's wealth management industry, having arrived here after spending his career in New York, most recently in senior positions at Rockefeller & Co., a wealth management firm founded as the family office for the oil dynasty. Prior to that, he was an associate principal at the consultancy McKinsey & Co.

It was at McKinsey that Shapard happened into financial services. He worked in a group that consulted with asset managers, brokerage houses and other finance firms. "That period of time very much informed how I think about Fiduciary ... having spent a lot of time at bigger competitors than where I'm at now," he said.

When Shapard arrived at Fiduciary, he interviewed each of the more than 100 people who worked at the firm, from the chief investment officer to the receptionist. Fiduciary employees have been with the firm an average of more than 15 years, according to Shapard. As chief executive, he's had to balance the stability valued by longtime clients – Shapard is just the eighth CEO in Fiduciary's 130-year history – with the need to keep pace in a changing industry.

"I think of this as a 130-year-old startup that is based on the foundational principles that have been in place here for a very long time, but with the energy to focus on how we're going to be relevant to our clients in 5, 10, 20 years," he said.

Shapard's goal to make Fiduciary more distinctive could be made a little more difficult by the Obama administration's proposal to hold all retirement advisers to the so-called fiduciary standard, which would require them to put their clients' interests before their own, rather than the lower bar of the current standard, which requires them only to offer advice suitable to a client's situation. Fidelity Investments and other Massachusetts money managers have criticized the proposal as an overreach.

Shapard – perhaps unsurprisingly, given his firm's name – is a proponent of the standard. "We live by the fiduciary standard, in many ways. The fiduciary standard is in our bones. It is who we are," Shapard said. "I can't imagine operating in any other way."