

# From strength to strength

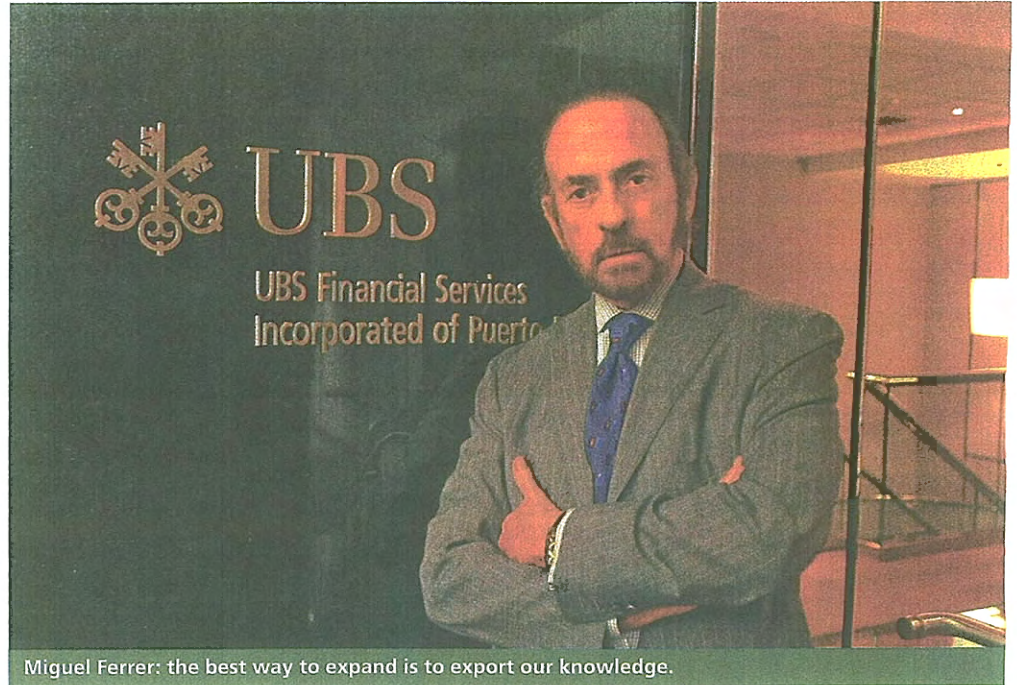
The success story of UBS Puerto Rico provides a real-life example of entrepreneurial leadership.

This year, UBS Puerto Rico celebrates its fortieth anniversary under Miguel Ferrer, founder of the original unit. The exuberance is palpable: business is running smoothly and the branch has doubled its assets over the last five years. This success is due to the relentless tenacity of Miguel Ferrer at the helm of the UBS Puerto Rico team.

Forty years ago, when Ferrer was a client advisor at Merrill Lynch, a client proposed setting up a joint venture for securities trading together with a US company, Eastman Dillon Union Securities. The joint venture did not work out, but Ferrer agreed to go ahead with the project together with Eastman Dillon. Thus the future UBS Puerto Rico was born, made up of Ferrer and three other staff members. The group was acquired by PaineWebber in 1980 and later became part of UBS through the UBS-PaineWebber merger.

Today, UBS Puerto Rico has 300 staff members including client advisors, traders, asset managers, investment bankers, consultants, and a trust company. The group's diversity can be explained by the integrated approach that has inspired the unit's strategy from the very start: from brokerage to wealth management to investment banking to asset management. "We have always wanted to deliver to the client the best that is available," says Ferrer.

One of the winning strategies adopted by Ferrer and his team was the development of products specifically designed for Puerto Rico, which benefits from fiscal autonomy from the United States. One such product was a program developed to alleviate pension plan deficits. And when resources to expand the business were scarce, Ferrer went to look for them where they were available, setting up a joint venture with UBS's municipal finance unit, working with various other UBS units on mutual funds and investment banking, cooperating with two Puerto Rican retail banks, even forming an alliance with the UBS consulting unit PRIME.



Miguel Ferrer: the best way to expand is to export our knowledge.

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"Puerto Rico is an island of three thousand square miles with four million inhabitants," Ferrer explains. "We are faced with the problem of geographic limitation. The best way to expand is to export our know-how, in particular our knowledge of Puerto Rican law and the Hispanic culture." He adds: "I have a great team of people, I'm just one of them. Each of us knows what he has to do to grow the business. We also bring in the best people we can find in order to fill slots as we grow."

In the last four years, the team's efforts have paid off abundantly: an increase in private client assets from \$5.5 to \$12.1 billion, in mutual fund assets from \$2.1 to almost \$10 billion, in net new assets from \$0.6 to \$1.4 billion each year, in total revenues from \$9.8 to \$43.8 million.

"We have difficulties every day," Ferrer admits, "but there is no difficulty that

cannot be overcome." He recalls the time his branch lost some major multinational clients after a change in US legislation. "We gave up \$12 million of bottom line. In those days that was more than half of our net profit, but we re-engineered ourselves and went into the mutual fund business, which is now significantly larger than the business we lost."

Ferrer's tenacity has also been rewarded with the Chairman's Award, a moment that he describes as unforgettable. Although he doesn't dwell on it, he knows that one day soon he will retire from UBS. "It will be a sad day, but nobody is irreplaceable, and I am convinced that my team will be able to reach even higher goals and realize our planned objective: doubling our assets every five years."

by Linda Mazziotta