Guest Column

How To Improve Your Fund's Marketing By Summer's End

By Bruce Frumerman, ceo of Frumerman & Nemeth Inc.

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 35-year-old financial communications and sales marketing consultancy that helps financial services firms create brand identities for their organizations and develop and implement effective new marketing strategies and programs. Frumerman & Nemeth's work has helped money management firm clients attract over $7 billion in new assets, yet they are not third-party marketers.

Frumerman & Nemeth is internationally recognized for its work in crafting for clients the beyond-the-numbers story of how they invest — content that investment committees actually discuss, debate and vote on behind closed doors when considering firms on a short list for potential investment. Importantly, this is required due diligence content that cannot be communicated in pitchbook format.

Mr. Frumerman can be reached at info@frumerman.com, or by visiting www.frumerman.com.

For decades, as spring gets ready to turn to summer, I get calls from money management firms that tell me a similar story. It essentially goes like this: *We've not been running a consistent (or effective) asset raising effort. We decided we want our firm to be better prepared come Labor Day. How could we make best use of our time over the next few months to make us more competitive and better equipped to make it through the due diligence vetting and decision making of sophisticated investors?*

Below are five recommendations that I offer them, which are based on my firm's 35 years of financial communications and sales marketing consulting experience.

Rethink And Refine Your Storyline

Once sophisticated investors vetting your fund and firm have decided your performance is acceptable, the focus of their due diligence vetting turns toward the next thing you're responsible for: the investment process you built and chose to follow for running your strategy.

Most emerging manager firms only deliver generic-reading 'me too' bullet points when attempting to communicate this. Yet, your investment process and strategy are something you need to be able to talk a prospect through in detail, and have in print form to leave with them. (The pitchbook is not where this belongs.)

The Storyline is where you demonstrate the intellectual acumen of management and communicate what in the investment process differentiates the firm from similarly performing peers.

Moreover, you need to be able to tell your story the same way twice, and without leaving out what a sensible sophisticated investor would consider to be important points.

Practice Your Verbal Pitch (Out Loud)

It's not enough to write yourself talking points notes and then just wing it on the actual meeting day. You need to have your rethought and refined investment process Storyline completed and use it as your guide as to what to communicate.

Many emerging managers lack experience in having conversations with skeptical people about how they run their strategies, and many of them also have little experience with hearing themselves talk. So, it is important to practice first.

For this, start a timer and start talking out loud, telling the story of how you invest. When you feel you're done, stop your timer and make note of how long you spoke. If it feels like you went on for too long, or if after the exercise you belatedly remember important points you left out, then you know you have more work to do before you may want to verbally pitch actual prospects.

If you do not put in the effort to practice your story out loud, and you later find yourself in a pitch meeting where you are having to back up and start retelling some point or other because you realized after you spoke that you left out some extremely important steps in your methodology, then you will have come across as either being a manager suffering strategy drift or a manager who lacks a well thought-out investment process. This often happens to portfolio managers who have not properly built out their explanation about their investment process.

Also, the better you know the investment process Storyline the more comfortable you'll be when a prospect interrupts and asks a question about a point you just made. You will find yourself better equipped to respond, remembering where you left off and continuing with what else you had to say about how you run your strategy.

Prepare To Increase Frequency of Contact With Prospects

Once an investment management firm has its initial meeting with a prospective investor it is up to the firm to avoid fading into an out-of-sight, out-of-mind state. So, a firm needs to keep up frequency of contact, both to make it as easy as possible for prospects to conduct their due diligence research and to improve the odds of being at the right place at the right time when they decide the time has come to make a new investment allocation decision.

Pulling this off effectively requires developing and disseminating content marketing communications of value from the buyer's perspective – *every time there is contact*. No fluff or filler. This 'what to say' challenge takes work to do well.

A best practices rule of thumb my financial communications and sales marketing consulting firm tells its money management firm clients is to aim to make contact on at least a monthly basis, and, importantly, in a politic way, with prospective investors and clients. This takes forethought and planning, and it requires building time into one's schedule of running the business to achieve this. Sophisticated investors have complained about portfolio managers who do not communicate enough. I've never heard a complaint that a portfolio manager communicated too much good information to prospects and investors.

Prepare To Distribute More Content Marketing In Print

The best way to increase frequency of contact is to do so in print. You can't

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keep phoning a prospect every few weeks to ask, '*Are you ready to invest yet?*' Good written content supports the Storyline about a firm's investment process and digs into related elements of the money manager's thinking. This helps add more observable depth and breadth to the intellectual acumen of management at the firm. And it increases the odds of being at the right place at the right time when a family office, endowment, foundation or institutional investor decides it's time to make the next asset allocation decision.

One of the reasons print content is important has to do with how institutional investors conduct manager due diligence. They build a research dossier of content they amass and can easily file, retrieve and later share with peers at an investment committee level. This information is the print content (whether in hard copy or electronic format). The odds of them doing the same kind of saving and sharing with talking head videos or audio files from your firm is very slim.

Seek Out Speaking Opportunities

Being a panelist or an individual speaker at appropriate industry events is a good way to increase visibility and potentially introduce the firm to people who have yet to learn about it. Further, by scripting the speech (which my firm does for its clients) there is a resulting transcript that can be sent out in written form after the event to contacts who were unable to attend but might be interested in insights shared by your portfolio manager. Such repurposed content gets added to the above-mentioned written marketing collateral used to increase frequency of contact with prospects.

However, these events are planned and programmed months in advance. So, put in some research time to learn what events are coming up over the next 18 months or so. Determine which have pay-to-play opportunities for participation as a panelist and speaker, and which of these to budget for. Then, start drafting the speech or panelist remarks. It is better to have the majority of that content 'in the can' far in advance of the conference date. Put it off to too close to the event itself and the quality of what you'll end up saying from the podium will most probably be underwhelming for the audience.

Structure Your Summertime Marketing Improvement Effort

Building out a content creation and dissemination workflow, and selecting the topics to address, has to be a top-down effort with direct involvement from the portfolio manager. These are not tasks that can be completely delegated away to employees, particularly to those who lack detailed portfolio management knowledge. If your firm lacks the extra set of eyes and experience to help the portfolio manager carry this out, seek out assistance.