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Two Marketing Plans Every Investment Firm Needs: Plan #2



Winning over sophisticated institutional investors to your investment strategy requires creating and managing your marketing effort the right way. Out-marketing competitors, turning prospects into clients quicker, and attracting more sticky assets actually necessitates an investment firm's executive team to produce and oversee two marketing efforts, not one. And this requires having two distinct marketing plans.

There are two parts to marketing a money management firm's investment strategies and products to sophisticated institutional investors: sales marketing and communications marketing. Sales marketing is the process of selling to these prospects and their advisors. But what is it that the prospects are told? That's the job of communications marketing.

In last month's column I offered insights and tips for building or refining your investment management firm's sales marketing plan. Now, let's address the communications marketing plan.

If you do not have a written communications marketing plan you lack a playbook, and the content, for arming your portfolio manager and sales marketing staff with the tools they need to tell and sell the firm's product-specific investment strategy story throughout the selling cycle to raise assets from sophisticated institutional investors such as family offices, endowments and foundations, institutional plan sponsors and their investment consultant gatekeepers, and some of the independent RIA wealth management firms.

Important as this is, over the past 30+ years our financial communications and sales marketing consulting firm has observed that the majority of money management firms it has come across, no matter their size, seem to be operating without any communications marketing plan of action. While money management firms may take the occasional communications marketing related step in support of their sales marketing efforts, there often is no full plan of action. On top of that, many lack the full arsenal of content looked for in institutional investor due diligence.

Every money management firm executive team should have crafted and delivered to its salespeople compelling and consistent buyer-focused storylines, and other related content to use, in both their verbal and written contacts with clients, with prospects and those who influence these audiences. This is not sales marketing, its communications marketing.

Building your communications marketing plan

Here are 10 recommended steps to take for building or refining your money management firm's communications marketing plan.

- 1. Craft your short version storyline.** This is the elevator pitch for explaining your investment strategy on offer. It needs to go beyond stating just the category your strategy falls into and its most recent performance as that would communicate that you should be thought of as a replaceable commodity, and you certainly do not want to give that impression.
- 2. Craft your long version storyline.** Its first use will be in how you communicate your beyond-the-numbers long version storyline at your first in-person sales meeting. Keep in mind that by the time sophisticated institutional investors grant you that round one meeting they have already read through your data and decided they were willing to give you a hearing. The two biggest questions investors have that your long version storyline should answer are *What are your investment beliefs?* and *What is your investment process?*
- 3. Decide which performance related data to standardize on presenting.** Analyzing your performance, select which additional data is most appropriate to provide a prospect that can communicate performance attribution and performance characteristics that compares/contrasts your strategy to relevant external points of reference for the prospective investor. This is part of the content you have to market to answer the prospective investor's question *In what context should I view you?*
- 4. Teach staff.** Now that you have your long and short version storylines, and performance attribution and characteristics data, teach this information to your staff and explain that they should consider these your 'ammunition box' of key content to draw upon for nearly every firm product and strategy-related communication of yours to attract and retain assets.

5. **Create three core marketing collateral documents.** The first two are the monthly performance ‘tear sheet’ and flipchart pitchbook. These documents are the repositories for your numbers content. The flipchart also holds the standard info on staff, investment terms (and service providers, where relevant). The flipchart also includes some abbreviated ‘billboard copy’ that in skeletal terms touches on investment process. The long version storyline belongs in a separate brochure format document. Sophisticated institutional investors require this content and want it in print, not just delivered orally.
6. **Rethink IR communications and how to incorporate the long version storyline** into your money management firm’s letters to investors and research/analysis on portfolio holdings.
7. **Determine which particular beyond-the-numbers content to use when speaking at specific industry conferences** to promote the firm’s views on investing within its strategy category.
8. **Decide how to use Internet based communications outlets and platforms for marketing content about how your portfolio manager thinks.** Select which topics to address when and where. Write and distribute the thought pieces.
9. **Determine when there is reason to employ media relations marketing and what specific elements of your product’s strategy-specific content to seek to promote that way.**
10. **Update regularly with your salesperson to learn what questions prospects are asking** and determine whether there is a need to create additional marketing content to support their selling effort.

Once these steps are completed your executive management team will have built out a solid plan of action, and have a better understanding for how to implement and manage content creation and distribution in support of the money management fund firm’s sales marketing process over the selling cycle.

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About the author

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 31-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.

Frumerman & Nemeth's work also includes providing strategic consulting on product and strategy-specific branding, crafting the required strategy-specific content detail and designing and producing the marketing tools needed to make it through the two-month to two-year institutional selling cycle. Clients also employ Frumerman & Nemeth to help promote the intellectual acumen of management — helping them get speaking opportunities, write and give speeches as panelists or stand-alone speakers at industry conferences, and through media relations marketing services.

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