

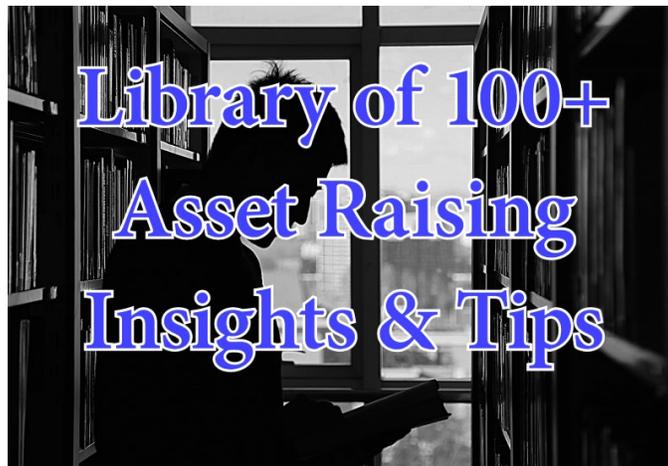
Marketing To Sophisticated Investors column

by Bruce Frummerman, CEO, Frummerman & Nemeth Inc.

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100+ Insights & Tips To Improve Your 2022 Asset Raising Abilities

Tip 22: Preparing For Post-Pandemic Asset Raising



Welcome to the twenty-second of a series of articles offering insights and tips to prepare money management firms for improving their abilities to out-market competitors and attract assets from sophisticated investors in the coming post-pandemic world.

New Year's Resolutions

At the beginning of each new year many people find themselves thinking about what resolutions they had for the previous year that they didn't get around to carrying out. This is true for many money management firm owners, too. For them, key desires tend to focus on two areas for improving profitability: run a more operationally efficient business and grow assets by running more effective communications and sales marketing efforts.

Of those two, investment firm owners have a better sense of the starting point for aiming to improve operational efficiencies: Reexamine the back-office service providers and reevaluate if the firm might be able to receive the same, or better, service for less.

Investigate whether trade execution, reporting, compliance, record keeping or IT functions being handled with in-house staff could be more cost effectively managed by outsourcing to a specialist firm that has better tools and more skilled staff.

In contrast, carrying out a New Year's resolution to do a better job in asset raising is a more complex challenge. This is because while the above mentioned back- and middle-office functions daily touch portfolio managers' books of holdings — and so are close to them and easier to more quickly relate to — the front-office functions of communications and sales marketing tasks require, in comparison, more conceptual thinking and more buyer-focused thinking.

If your investment firm has identified similar-sized, similar performing money management firms that are out-marketing you, what might their teams have refined in their asset raising efforts that your team has yet to?

It could be that these competitors have a better conceptual understanding of who they are selling to and what those people look for to separate one money manager from the next, as well as a better buyer-focused understanding of what the investment firm actually has to sell; both in terms of a strategy's delivered characteristics and, most importantly, how the portfolio manager thinks.

Making asset raising even more challenging for you is that sophisticated investors such as family offices, endowments, foundations, plan sponsors, gatekeepers and some in the independent financial planning/investment advisory wealth management world have become more critical in their due diligence evaluations of the beyond-the-numbers factors of the investment firms pitching them. It has become more difficult to make it through the due diligence gauntlet.

Three Questions

To improve your asset raising abilities begin by reevaluating how your firm has been running its communications and sales marketing efforts, identify where efforts have been lacking (from a buyer-focused perspective) and then determine what changes to make to become more effective in this new year.

As you do this there are three questions you should seek to answer.

What steps can we take to:

1. Improve our ability to differentiate ourselves from competitors?
2. Better meet the due diligence requirements of sophisticated investors and make their evaluation of our firm easier for their gatekeepers and investment committee members?
3. Win more mandates that have the potential to be sticky assets rather than rely on allocations from non-sticky performance-chasing investors?

Free Resource To Help You Make More Educated Marketing Decisions

Answering those questions effectively for your money management firm — and then building and executing action plans to achieve those objectives — will require gaining more communications and sales marketing insights and ideas this year than your firm's owners had in the past when making their asset raising-related decisions.

On Frumerman & Nemeth's website is a free resource to help with that: the largest library of published articles on the subject of marketing investment strategies to sophisticated investors. You will find it here: <https://is.gd/Z7Kp9L>.

There you can access over 100 articles containing marketing insights and actionable tips for improving your investment firm's asset raising efforts.

If you seek to do a better asset raising job this year for your investment strategies, the marketplace intelligence and best practice ideas you can read at the Frumerman & Nemeth library will set you off in the right direction.

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About the author

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 34-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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