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Are You Misspending Your Investment Conference Marketing Dollars?



Industry conference participation never guarantees walking away with a ‘needle in the haystack’, previously unidentified new contact interested in the investment strategy you have on offer. But, in the world of marketing investment products to sophisticated institutional investors, aside from rifle shot selling to identified targets at a family office, endowment, foundation or institutional plan sponsor, these industry events tend to be the key place to find the largest numbers of potential prospects gathered in one place at one time.

There are two common conference marketing spending mistakes my financial communications and sales marketing consulting firm sees some money management firms making. Avoid these errors and you’ll make more effective use of your conference marketing dollar spend.

Error 1: Not setting a budget (or a reasonable budget)

No matter the size of your money management firm, the investment strategies you have on offer or the investor markets you serve, industry conference marketing is a key means of telling and selling your story to sophisticated investors and those who influence them. Well planned participation at such events can extend the reach of your firm’s one-on-one outreach selling efforts.

However, with the number of conferences there are, both domestic and overseas, it is easily possible to quickly burn through a whole year's worth of communications and sales marketing budget that was meant to cover far more than just conference participation. Conversely, it's also possible to be acting too pennywise and pound foolish, and either miss out on important networking and promotional opportunities or end up coming across poorly in the eyes of your prospects at the industry conferences you do attend.

So, it's important to determine how much of your available communications and sales marketing budget should and can be allocated just for the purpose of sales marketing via industry conference participation.

When it comes to setting a budget for sales marketing at industry conference events the best way to go about that task is to reverse engineer your way to what a required spend is to come across as competitive and professional at those events. The result of what you find may have you making more effective use of your preassigned dollars or help you see you had under-budgeted for what it takes to benefit from conference sales marketing and that you need to allocate more money to this task to have it be of most use for you.

The expenses for having your money management firm participate at an industry conference attended by prospective investors from family offices, endowments, foundations or institutional plan sponsors can add up.

The higher the tier of participation you pay for, the higher potential profile your firm can get at an event. You could pay the registration fee to go there simply as an attendee and just market based on who you happen to bump into by the coffee urn. You could pay more to gain the benefits of having some sponsorship position. This could mean being allowed to exhibit at a booth or table in an exhibition hall at the conference. It could mean buying a 'pay to play' spot as a panelist at a program session, or even as a stand-alone speaker. It could mean buying one-on-one meet-the-manager pitch times with some of the attending investors.

Taking some or all of these steps can help build marketplace awareness among the attending crowds and gain what could be valuable face-time with prospective investors and those who influence them. Some of these people may turn out to be folks you would not have otherwise known of or crossed paths with.

But the true cost of participation goes beyond the registration price of admission. Here are some of the key additional factors your firm needs to take into consideration to determine what actual budget would be required to effectively participate at a particular conference.

Do you have to travel to where the conference will be held? Transportation, accommodation and meal expenses must be added to the price of admission. If you buy a booth or table spot then you need to decorate it with signage so prospects can spot your firm from across the room and see some information that can help them decide whether they want to come over. Marketing collateral is needed for the table. What will the content be and how will printing be handled? Some firms also produce 'swag' handouts branded with the company logo. Both of these types of table items require separate human resources and production expenses. If you buy a speaking slot you can't afford to just show up and wing it. Time and effort need to be put into deciding exactly what to say and how to say it. Want to do it right? That takes speech writing. Lastly, how many

team members from the firm are needed to effectively work the conference and staff the booth or table spot? Each of these considerations is another line item expense to add to the base level price of admission. Take all this into account and you'll have a valid point of reference for establishing a reasonable budget for participating at one particular conference event.

Once you have created a budget for that first event you have a ballpark point of reference as to what, beyond the price of admission and attendee classification, it may cost you to make networking and marketing opportunities pay off at other conference events.

Error 2: Paying to attend the wrong events

You would think this shouldn't need saying, but it does.

If your investment management firm does not do research to evaluate and determine which of the myriad conference events are those that offer you the highest potential for success — for meeting prospects and those who influence them and promoting the intellectual acumen of your portfolio management team — then you will find yourselves wasting some of the money you allocated to conference marketing outreach.

Will the target market type of investors be attending the conference you are considering? Does at least one part of the conference program agenda for the event jibe with what your money management firm does and has to offer as an investment? Does the classification of the type of money management firm you are fit with that of the particular event? What does the event agenda look like for this year and for the previous year? Do the topics and participants align with the types of prospects you are looking to reach, and would you be among a respectable group of peers participating at the event?

Here's an example of doing it wrong. A senior executive at a money management firm bought a sponsor position at a conference about investing with emerging manager sized firms. The sponsor designation bought them an expo room table from which they could network and display collateral about their strategy offering. The salesperson sent to staff the firm's table was flagging every prospective investor who was walking past. The problem was, the AUM of the product from this money management firm exceeded \$2 billion. This was plainly the wrong audience. Time and again investors, when stopped, asked for the specs about the firm's investment product. Once they heard the "over \$2 billion" they replied, *You're not an emerging manager!*, and they walked on.

Here's an example of thinking things through. A money manager had two conference events under consideration, and could only afford to pay to attend one of the two within that part of the year. Conference A was one where the main intent of prospective investors was to mingle with each other; investing related topics were secondary. Conference B was one where the main intent of attending investors was to learn about the investment strategies and strategy implementation thinking of money management firms they might not yet be aware of. Conference A was the 'splashier' event to attend and it historically attracted a larger audience. Conference B was more of a 'roll your sleeves up to work' type of an event, and had a smaller number of prospective investors attending. Apples to apples, Conference A cost more to market at than Conference B.

The money management firm owner rightly allocated near-term pay-to-play conference marketing budget dollars toward Conference B and had budget dollars to spare to put towards partially funding participation at another conference months later where a small number of portfolio managers got face-time with a small number of prospective investors who were shopping for new allocation ideas.

When it comes to investor conference selection, the happy medium for what constitutes an appropriate and affordable budget allotment, as well as weighting the factors when evaluating and comparing one event versus another, will differ from one money management firm to another.

One thing is for certain: if you don't make thoughtful decisions when it comes to setting budget, researching which events offer the most promise, and then properly preparing for those you commit to, you will find yourself mispending valuable sales marketing dollars.

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About the author

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 32-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.

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