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Two Marketing Plans Every Investment Firm Needs: Plan #1



Winning over sophisticated institutional investors to your money management firm's strategy requires creating and managing your marketing effort the right way. You want to out-market competitors, turn prospects into clients quicker, and attract more sticky assets. This necessitates your investment firm's executive team to produce and oversee two marketing efforts, not one. And this requires having two distinct marketing plans.

Money management firms that have not yet recognized this have likely been less effective in their asset raising efforts. Consider their typical approach. Hire a salesperson. Make a flipchart pitchbook. Tell the sales person to go convince people to hand over money to invest on their behalf. Become frustrated when the salesperson is not quickly converting skeptical sophisticated investors into clients. What is it that such investment firm owners fail to grasp?

There are two parts to marketing a money management firm's investment 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.

The sales marketing plan

If you lack a written sales marketing plan you lack a playbook for managing your asset raising selling effort. Before you can start selling effectively, you need to build a sales marketing plan to lay out what you intend to do and how you intend to implement it.

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

1. **Start by determining what is the right target audience** for your strategy based on its characteristics.
2. **Next, set a game plan** for how you will find and make initial contact with prospective suspects who may be potential investors.
3. **Select and prepare your firm's point person** (this could be the founder, portfolio manager, in-house salesperson or, in some cases, a third-party marketer) for making the initial contact and later giving the round one in-person sales presentation. (Note: Preparing your point person requires having the content and selling tools needed to equip him or her to tell and sell your strategy. This is a job for communications marketing, for which you need a separate marketing action plan.)
4. **Qualify the suspects** to determine which may actually be potential investors.
5. **Determine what you will use in making introductory contact** to persuade the prospective investor to take a meeting.
6. **List what buyer-focused market intel information you'd like to gather** from your prospective investor either during an initial phone conversation or your face-to-face get acquainted meeting.
7. **Decide how you will use industry conferences** to network with and sell to your prospective investors.
8. **Develop legitimate reasons to make follow-up contact** with your prospects throughout the selling cycle that will have buyer-focused value. This is a key task for keeping dialogue alive with prospects and increasing your investment firm's ability to turn prospects into investors.
9. **Establish a budget** for implementing these steps.

10. Put all of this in writing, detailing the implementation steps for each activity.

This way you will have a sales marketing plan ‘playbook’, which you can also tweak and enhance as your sales marketing plan evolves.

When these steps are completed, your executive management team will have a solid plan of action, as well as a better understanding of how to implement and manage its sales marketing process over the selling cycle.

However, your money management firm still needs to craft and deliver to its salespeople compelling and consistent buyer-focused storylines and other content to use in both their verbal and written contacts with clients, prospects and those who influence them. This is not sales marketing, its communications marketing. We will address marketing plan construction for communications marketing in our next column.

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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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