

WHITEPAPER

CRM FOR ASSET MANAGERS

How to Use CRM to Build Relationship Capital



ABOUT

How deep does your client insight go? When your major clients come up for renewal, do you have the relationship-confirming information on hand to retain their business? This paper gives you the strategy and repeatable processes you need to retain business and build assets under management with CRM technology as the enabler.

With increased competition from a growing spectrum of alternative investments, expanding and evolving regulatory demands, and rising client expectations, asset managers face an onslaught of challenges in an already complex business. Focus and discipline are required to meet these escalating demands while effectively fostering the relationships that form the bedrock of asset management—relationships with consultants, influencers, broker-dealers, prospects, and clients.

Strategic-thinking asset management firms know that management of the crucial activities, processes, and relationships that bring them business cannot be left to chance, and they are looking for technology that can support and improve their performance in these areas. Client relationship management (CRM) software is the key technology enabler for asset managers who want to take a strategic approach to coordinated, profitable business relationships. It offers a compelling opportunity for asset managers to improve operational efficiencies, build a loyal client base, capitalize on opportunities to grow assets under management, and gain a competitive edge.

RELATIONSHIP MANAGEMENT MATTERS

While portfolio performance forms the bottom line in most investment decisions, asset managers are increasingly realizing that there are other important factors in client satisfaction that they cannot afford to ignore. The level of service and personalization provided by asset managers—whether directly to clients, to consultants and influencers, or via the broker-dealer channel—can have a significant effect on an asset management firm’s ability to cultivate client loyalty. With competitors and alternative investment opportunities looking to lure away asset managers’ client base, both client retention and competitive differentiation have climbed high on most asset managers’ list of priorities.

Delivering enhanced service to the degree necessary to see real results and create significant differentiation is a multi-departmental initiative that requires much more than a simple point-solution. It demands a concerted strategic initiative to align and coordinate sales, marketing, and service activities around the shared goal of building stronger, more profitable relationships. CRM systems are specifically designed to support and enable relationship-centered business strategies.

The principles of relationship-building are straightforward. Knowledge is the foundation of sound business relationships: the better two interacting parties know and understand each other, the more effective, efficient, and mutually beneficial the relationship.

Consider a simplified scenario in which a single asset manager with a single product interacts with a limited number of clients through a small group of consultants, influencers, or broker-dealers—who in turn interact only with a small number of asset managers. In such a situation, personal familiarity might be enough to ensure effective leveraging of opportunities based on a solid understanding of each other’s needs, value, interests, and offerings. But in the real world, numerous employees across an asset management firm must work together to service an account, product offerings have

multiplied and grown in complexity with increasing client demands, and vast networks of consultants, influencers, or broker-dealers are involved in transactions—rendering it virtually impossible to effectively build, evaluate, and make the most of relationships. Furthermore, key information is dispersed throughout the firm, making it difficult to see the full picture, provide consistent service, and make sound decisions to increase profitability.

The solution is client relationship management, or CRM.

THE VALUE OF RELATIONSHIP MANAGEMENT

CRM systems form the nerve center of an asset management firm’s external-facing operations, uniting sales, marketing, and client-services personnel in a coordinated effort to provide an outstanding experience to every account. By harmonizing activities and information across these departments, CRM streamlines processes, from account setup to RFP responses to broker-dealer relations. By synchronizing and standardizing efforts, CRM ensures that your firm presents a unified, consistent image to all partners and clients, improving brand strength and client loyalty. Through the improved efficiency achieved by automating key processes, CRM increases productivity, enabling your firm to manage greater volume without increasing headcount. Whether focused on institutional clients or fund wholesaling, all asset management firms can reap the rewards of CRM-enabled business relationships.

CHALLENGE ONE

Tracking and storing a large volume of high-quality information for regulatory compliance, strategic decision support, and relationship building.

SOLUTION

CRM systems aggregate client-related data and track activities to deliver valuable, usable insight and take the pain out of compliance. Sales professionals need a constant connection to the realities of every account—and how their efforts would pay off down the line. The resulting reward has exponential impact on their motivation, persistence, and ultimately, their results as a whole.

GAIN NEW CLARITY THROUGH CONSOLIDATED, ACCESSIBLE INFORMATION

The foundation of CRM is a centralized, consolidated repository of all your firm's client, consultant, broker-dealer, opportunity, competitor, and product information, breaking down the "data silos" common across organizations.

Any employee with appropriate access can get an instant, 360-degree picture of the parties with whom they interact—whether they are clients, prospects, consultants, brokers, or organizations—empowering them to provide informed, personalized service and ensuring that all who interface with the firm feel they are receiving consistent, knowledgeable, high-quality service, no matter whom they speak to.

Centralizing information in this manner eliminates duplicate data and increases accuracy. Moreover, it ensures that all within the firm benefit from the knowledge gathered by any

single party, developing an aggregated corporate "memory" that persists even in the wake of employee departure. With personnel from all departments across the firm able to access and contribute to the same data source, information-chasing is reduced, communication is improved, and collaboration is made easier.

MAKE THE CONNECTION WITH RELATIONSHIP MAPPING

Knowing who knows whom, where the sources of influence lie, and what connections exist between employees, accounts, and other parties is an excellent source of insight into new opportunities. For example, which consultants and other parties hold influence with institutional accounts? Which broker-dealers sell into important fund clients? Internally, which employees have been involved in servicing the account? A good CRM system enables asset management firms to create relationship trees that visually map relationships to provide rapid insight into the complex networks of influence asset management firms must often navigate. Using these features, asset managers can easily determine the relationship between two parties within the system, as well as track the influence each party has over the other's accounts—making it possible to estimate the value of a relationship based on not only their own assets, but their relationships with other clients, consultants, and broker-dealers.

MAKE REGULATORY COMPLIANCE PART OF THE PROCESS

From NASD regulations to Sarbanes-Oxley to stricter in-house standards, asset managers face growing demands for compliance, and many of these rules are likely to evolve and expand in coming years. Accordingly, asset management firms need to seek out technology that will enhance their

ability to comply today—and to adapt in the future. Flexible CRM systems enable asset management firms to automate the capture of information needed for regulatory compliance and to document processes and communications in a central repository—making compliance a natural, automatic process.

UNDERSTAND YOUR SOURCES OF PROFITABILITY

CRM systems enable asset managers to analyze where the deals are coming from: which consultants or other influencers, or which broker-dealers, are contributing most to your firm's bottom line. Furthermore, you can measure the expenses associated with creating and maintaining these relationships against related revenues, getting a true sense of profitability. Information rolled up at the broker/consultant, branch, and firm level can help you get a sense of the bigger picture—or allow you to drill down to find greater detail. You can also examine product performance to assess market reaction and determine market coverage, enabling you to make more informed product-management and marketing decisions.

CHALLENGE TWO

Many asset management firms suffer from operational inefficiencies and have difficulty supporting profit margins and managing more assets without increasing expenditures.

SOLUTION

CRM systems generate productivity gains by automating time-consuming activities, streamlining processes, and enabling asset managers to apply resources more effectively.

COMPLETE THE PICTURE WITH THIRD-PARTY DATA INTEGRATION

Integrating money-market data from third-party sources like Standard and Poor's or Nelson provides rapid access to portfolio status right from within the CRM system. This data can also be used to identify desirable new prospects, target customers of underperforming competitors, or identify opportunities within your existing client base. Analyze the data according to specific parameters to find the most promising opportunities.

PLAN AND COORDINATE ACTIVITIES FOR HIGHER PRODUCTIVITY

With multiple personnel involved in the servicing of accounts, including external parties such as consultants and broker-dealers, coordination of activities is critical to effective use of resources—and to building relationships. CRM systems enable users to centrally plan and coordinate activities by instituting scheduled call plans, managing sales steps, automating workflows for multi-stakeholder processes such as account setup and RFP responses, and much more. Related notes,

e-mails, call reports, and documents are all stored in a central location accessible to all appropriate personnel, so all team members are able to act knowledgeably and in concert with each other. Embedded workflow ensures every action is made by the right person at the right time. Collaborative account servicing ultimately leads to higher productivity, enabling your firm to handle more business with the same number of resources.

GET THE RIGHT INFORMATION TO THE RIGHT PEOPLE AT THE RIGHT TIME

Knowledge is power—or it can be, if you know how and when to use it. When your firm receives market news, how quickly can your employees determine the best way to use it? A sophisticated CRM system enables users to perform advanced searches to identify the parties to whom information will be relevant and valuable, giving your firm the opportunity to exhibit leadership, develop trust, and demonstrate your understanding of the interests of the parties with whom you communicate.

CAPITALIZE ON EVERY OPPORTUNITY

Are all your firm's opportunities promptly and adequately pursued? Do you have a thorough understanding of your success rate and related factors? Is your firm taking advantage of all available opportunities to win new business and secure renewals? Are you managing as wide a broker-dealer channel as possible, as profitably as possible? CRM systems can implement smooth, systematic opportunity-management processes that ensure no potential accounts or sales opportunities fall through the cracks. Similarly, automated prompts can identify opportunities based on interests, renewal dates, current holdings, and other criteria.

MANAGE THE PIPELINE MORE EFFECTIVELY WITH HIGHER VISIBILITY

CRM systems make sales forecasting and pipeline management easier and more accurate for asset management firms. Track deals in the pipeline, current stage, and probability of success, so that you can plan and allocate resources strategically.

KNOW NO BOUNDARIES WITH MOBILE CONNECTIVITY

Travel is a given in today's business environment, so mobility is a key factor in productivity. For team members such as outside wholesalers, the ability to perform while on the road is critical. High-quality CRM systems offer the ability for asset management firm employees to access full CRM functionality whether they're online or offline, ensuring they can take advantage of time-sensitive sales opportunities regardless of connectivity conditions. Changes made while offline can then be seamlessly synchronized with the central database when the user next connects.

CHALLENGE THREE

In an increasingly competitive market, asset management firms find it difficult to differentiate themselves from competitors and add value to their interactions with clients, consultants, and broker-dealers.

SOLUTION

CRM technology gives asset managers the tools to build and maintain better, stronger business relationships that confer competitive advantage.

GIVE YOUR CLIENTS UNPARALLELED SERVICE

What value can your firm deliver that extends beyond fund or portfolio performance? The value of an exceptional client experience. Asset management firms can use CRM systems to offer personalized, responsive service that sets them a cut above the competition. What kind of account data do your clients and brokerdealers need? In what form do they prefer to receive it? How often do they wish to hear from you? Delivering communication and service that reveals understanding and respect for client interests and preferences helps build stronger, longer-lasting—and more profitable—relationships.

MANAGE EVENTS THAT BUILD RELATIONSHIPS — AND BUSINESS—WITH EASE

Superior CRM applications offer event-management tools that allow users to invite select clients, consultants, or brokers to events based on predefined criteria and preferences; manage registrations; and track attendance, making it easy to host high-value events without time-consuming administration.

HARNESS THE POWER OF BRANDING

With consumer research indicating that brand differentiation is an increasing challenge in the financial services marketplace, there is marked competitive advantage in delivering a controlled, consistent customer experience that contributes to the development of an identifiable brand. Such uniformity is nearly impossible to attain without structural support and coordinated effort across outward-facing departments and channels—something CRM makes possible.

EXECUTE TARGETED, PRECISE MARKETING CAMPAIGNS

A CRM system with powerful marketing automation tools enables asset managers to perform cost-effective marketing campaigns with exactitude. CRM tools enable asset managers to segment their audience—be it consultants, prospects, clients, broker-dealers, or any other group—to precisely target marketing efforts according to their interests, demographics, existing product profile, historical activity, or other criteria.

Moving with the Markets: The Need for Flexibility

As we all know, the only constant is change. With mergers and acquisitions, regulatory changes, market unpredictability, competitive pressures, and other forces continuously reshaping the asset management landscape, you can count on the fact that your firm will need to adapt in order to deal with the plethora of changes in your business environment. To continue to be effective high performers in today's business climate, organizations have to be agile and adaptive. Supporting your business processes with technology can make your company faster and more productive today—but you must also ensure it won't hinder you when you need to respond rapidly to tomorrow's changes in the market and regulatory environment.

ZOOMING IN: CRM ADVANTAGES BY LINE OF BUSINESS

In addition to the compelling benefits CRM systems offer all asset management firms, many offer added benefits specific to the asset manager's line of business. For institutional asset managers, CRM technology can significantly accelerate and take the pain out of time-consuming processes such as RFP responses and account openings. For fund wholesalers, CRM gives exceptional insight into broker profitability.

INSTITUTIONAL ASSET MANAGEMENT: THE POWER OF COLLABORATION

Within institutional asset management firms (IAMs), one of CRM technology's greatest advantages is its ability to help employees collaborate across departments to provide consistent, exceptional service to clients and capitalize on opportunities to grow assets under management. CRM enables IAMs to fully integrate sales, marketing, and service functions for increased efficiency and effectiveness, providing a complete view of the client so users from all areas of the firm can personalize their client interactions,

building a stronger relationship and increasing client retention and loyalty. CRM can automate and facilitate workflows for important multistakeholder processes such as account opening and RFP or RFI responses, saving time and increasing productivity. It also provides visibility into complex networks of affiliation and influence, allowing IAMs to more successfully track consultant activity and identify new opportunities.

Get Proactive with Renewals to Increase Retention

Don't wait until institutional contracts come up for renewal to take steps to retain an account. CRM systems give you the power to manage an account effectively throughout the contract—and to take action ahead of time to secure renewal. Intensifying competition for institutional clients means you can't afford to count on renewals. Nurturing the client relationship throughout the contract promotes greater loyalty at the time of renewal; proactive management of renewals gives less opportunity for competitors to woo away your client base.

Understand Consultant Influence

CRM systems enable institutional asset managers not only to track consultant influence, but also to identify the most profitable consultants. By recognizing key account influencers and corresponding profits, IAMs can strategically build the most valuable relationships and focus time and effort where it yields proven results.

Leverage Proven Sales Methodologies

A good CRM system can add structure and discipline to an IAM's selling approach, implementing consistent action plans based on industry best practices. Greater visibility of the sales pipeline and more insight into consultant influence allow IAMs to improve resource management, zeroing in on the most profitable and promising deals. This improved focus can contribute directly to the bottom line, increasing win rates and average deal sizes, while shortening the sales cycle.

MUTUAL FUND WHOESALING: TRUE INSIGHT INTO BROKER VALUE

For fund wholesalers who sell through broker-dealers, the most important relationships tend to be with their resale channels. CRM helps fund wholesalers build and expand these relationships—strategically. By providing deep insight into broker profitability, CRM enables mutual fund wholesalers to direct their resources where they'll be most effective, cultivating relationships with profitable brokers and dropping those who cost the firm. Instant access to information that allows fund wholesalers to allocate their time and effort more effectively enables firms to grow assets under management without additional resources.

Understand Sources of Profitability

Because they don't sell directly to the client, mutual fund wholesalers rely on broker-dealer performance for profitability. But odds are that a subset of brokers is contributing disproportionately to the bottom line, while others are merely costing the company time and resources. CRM can give fund wholesalers insight into which brokers are performing best, which funds are selling well, and where they're selling. A sophisticated system will enable fund wholesalers to roll up information to analyze profitability and performance at the firm, branch, and broker level for greater insight into realms of influence and opportunities to leverage them for sales growth. With CRM, you can find out which

brokers in otherwise profitable firms are underperforming and capitalize on your knowledge and existing relationships to proactively develop broker performance. Outside wholesalers can easily determine who the most profitable brokers are within a given area, allowing for skillful planning and easy navigation of broker contacts.

Give Brokers the Tools they Need to Perform

To sell your funds effectively, brokers need information and resources at their fingertips, when they need them. CRM systems enable fund wholesalers to track and fulfill literature requests and proactively supply brokerdealers with information that fits their business focus and interests—in the format that fits their needs. Event management tools make it easy to segment and invite brokers to information sessions and other relationship-building events. Mutual fund wholesalers can also track the associated costs to balance broker revenues with the costs of doing business with them and keep tabs on gifts and coop funds to ensure NASD compliance.

Streamline Day-to-Day Activities for Increased Productivity

CRM systems can streamline and automate time-consuming daily tasks, giving fund wholesalers more time to focus on higher-value activities. Automated workflows for sales procedures and account setup allow for easier management of multi-party processes. Advanced systems enable automatic distribution of research and literature according to interests and preferences, keeping stakeholders inside and outside the firm informed and engaged. A rich, searchable data repository makes identification of prospects for new products easy, and built-in alerts can notify agents of new opportunities triggered by market activity. Call and activity planning ensure consistent, timely touches with brokers and other stakeholders.

Use Pivotal CRM for Institutional Asset Management for:	
<ul style="list-style-type: none"> • A 360-Degree Client View • Workflow Management • Consultant Management • Proposal Tracking • RFP Process Management • Opportunity Management • Sales Forecasting 	<ul style="list-style-type: none"> • Activity Management • Relationship/Influence Tracking • Event Management • Expense Tracking • Regulatory Compliance • Performance and Client Reporting

Use Pivotal CRM for Mutual Fund Wholesaling for:	
<ul style="list-style-type: none"> • Territory Management • Broker, Branch, and Firm Profitability Calculations and Tracking • Proxy Calendaring • Literature and Premium Distribution and Tracking 	<ul style="list-style-type: none"> • Product Information and Research Management • Event Marketing Management • Expense Tracking and NASD Regulation Enforcement

PIVOTAL CRM SOLUTIONS FOR ASSET MANAGEMENT FIRMS

Aptean Pivotal CRM for Financial Services offers leading solutions for investment management firms. Offering all of the functionality described above and much more, all accessible from a centralized dashboard, Aptean Pivotal CRM solutions enable asset management firms to achieve rapid deployment and a faster time-to-benefit with functionality specifically tailored to their line of business.

Pivotal CRM solutions reflect a deep understanding of asset managers’ needs: each of our asset management solutions provides 75% of the functionality typically needed by mutual fund wholesalers or institutional asset managers right out of the box. But we understand that every business is unique: companies can take full advantage of Pivotal CRM’s flexibility to complete the remainder of their solution with customized applications that adapt to the way their organization does business, giving them the competitive edge. This combination of industry-tailored and custom components, along with the inherent flexibility of Pivotal CRM, leads to a lower total cost of ownership for Pivotal CRM customers.

With major global asset management firms around the world using Pivotal CRM, these solutions have proven time and time again their ability to dramatically increase productivity, grow assets under management, and foster strong broker, client, and consultant relationships in the asset management industry. In fact, Pivotal CRM received the highest overall rating in Global Investor magazine’s review of CRM systems for asset management. The Pivotal approach ensures a faster time-to-market with a lower total cost of ownership by delivering financial-services solutions on the scalable and flexible Microsoft® platform, which supports easy customization, integration, and deployment. Fund wholesalers and institutional asset managers can rapidly and cost-effectively adapt Pivotal CRM to meet compliance demands and grow with their business—today, tomorrow, and in the future.

CONCLUSION

Given the growing competitiveness of the asset management business, institutional asset managers and mutual fund wholesaling firms cannot afford to sit on the sidelines while competitors lure business away with promises of better service and performance. By developing deeper relationships

with clients, consultants, and brokers, asset management firms can improve retention of the business they have and capitalize on their strongest channels to build more business.

Relationship-focused business alignment is the strategy; CRM technology is the enabler. By giving asset managers both the tools to build strong business relationships and the insight to see which relationships merit cultivation, CRM can itself become an indispensable asset.

PIVOTAL CRM FOR FINANCIAL SERVICES

Pivotal CRM for Financial Services offers comprehensive, integrated, industry-specific capabilities that increase insight into operational performance, streamline processes across the firm, and improve responsiveness to client demands. With discrete CRM offerings for institutional asset management, mutual fund wholesaling, capital markets, private banking/wealth management, and commercial banking, Pivotal CRM for Financial Services puts critical relationships at the core of organizational strategy in a way that fits the unique business processes of financial services firms.

With financial services firms around the world using Pivotal CRM solutions, Apteian has proven time and time again its ability to meet the needs of the industry. The Pivotal CRM approach ensures a faster implementation with a lower total cost of ownership by delivering financial services solutions on the scalable and flexible Microsoft® platform, which supports easy customization, integration, and deployment. Financial services firms can rapidly and cost-effectively adapt Pivotal CRM to meet changing compliance and operational demands and grow with their business—meeting their business needs today, tomorrow, and in the future.



More than 9,000 customers around the world rely on us to give them a competitive edge. By providing innovative, industry-driven enterprise application software, Apteian helps businesses to satisfy their customers, operate most efficiently, and stay at the forefront of their industry.

For more information, visit: www.apteian.com