U.S. Institutional Marketing and Sales Organizations 2019

Deploying Resources and Analytics for the Acquisition and Retention of Client Assets

CERULLI ASSOCIATES

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OVERVIEW & METHODOLOGY

In its third iteration, this report provides a comprehensive analysis of asset managers' institutional marketing and sales organizational teams. Specifically, this report examines trends in consultant intermediation, relationship management, marketing, consultant relations, client service, and request for proposal (RFP)/database teams. A primary focus of this report is on the typical organizational structure of these key groups, including how these organizational alignments may vary based on the size or focus of the manager. Other relevant topic areas include changes to headcount by functional area, trends related to compensation, and how managers can work with consultant intermediaries to best position their firms for new mandates.

USE THIS REPORT TO

- Understand how major institutional asset management trends are affecting institutional distribution organizations
- Assess staffing and compensation best practices for institutional asset management sales, client relations, marketing, and RFP teams
- Analyze changes to volume, finals rates, win rates, and other data for RFP, RFI, and due diligence questionnaire (DDQ) activity, as well as the emerging technology designed to manage it

QUESTIONS ANSWERED

- From what institutional client types do asset managers expect to grow their assets?
- What are the biggest challenges asset managers face in building relationships with investment consultants?
- What are the biggest hurdles to building institutional client relationships?
- Are managers filling out more due diligence questionnaires than ever before?
- How are marketing efforts changing in relation to increased technology?

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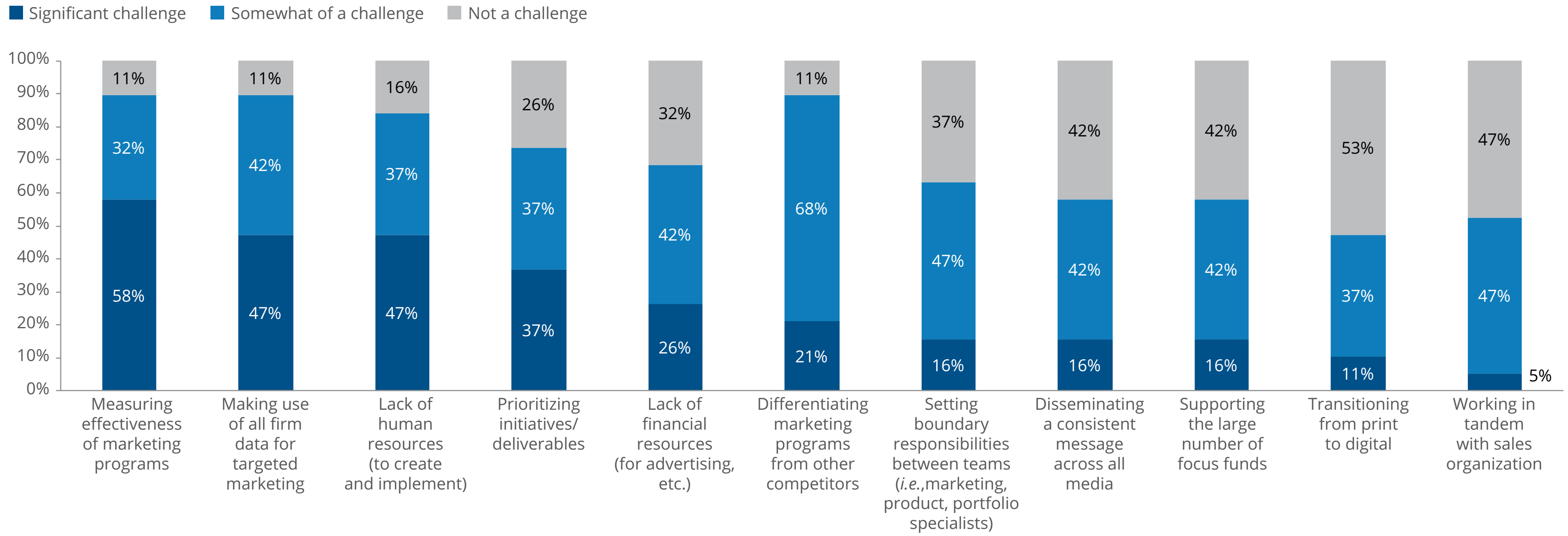
1. **RFP Dashboard:** Explore the factors that are most effective in driving request for proposal (RFP) activities and mandate wins, analyze RFP turnaround-time goal and success in meeting those goals, and compare compensation levels for different positions within an RFP team.
2. **Institutional Client Relationships:** Understand anticipated institutional flows in one year and in three years, and review ratios of the average length of a sales cycle to the average length of a client relationship across several different client types.
3. **Compensation Snapshot:** Analyze a detailed breakdown of compensation levels and structure, as well as factors affecting compensation in 2018 and 2019 by various roles, including client service, consultant relations, direct sales professionals, and relationship managers.

Exhibit 6.02

Challenges Facing Institutional Marketing Teams, 2019

Source: Cerulli Associates



- The largest challenge facing institutional marketing teams is determining the return on investment (ROI) of different marketing programs (58%).

Key Implication: The two most difficult challenges facing institutional marketing teams both involve the ineffective use of data that drives marketing campaigns. Among the business development professionals Cerulli spoke with, measuring the effectiveness of a campaign is a constant challenge, especially for those that do not have a technology platform in place to alleviate these issues. Through the use of a digital platform that collects data from users, institutional marketing teams can more effectively target their marketing materials and also collect data on how institutions are engaging with the material.

Collecting data through technology platforms can be helpful for institutional marketing teams, but it can be difficult to interpret how each data point translates to ROI. Cerulli recommends that despite collecting substantial amounts of data, the organization should decide to focus on those that are critical in successfully delivering their strategy.

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