

Emerging Manager *Monthly*

A Publication of Financial Investment News

The Trusted Source for Emerging Managers

July 2016

Communication Plan Vital For Major Market Events

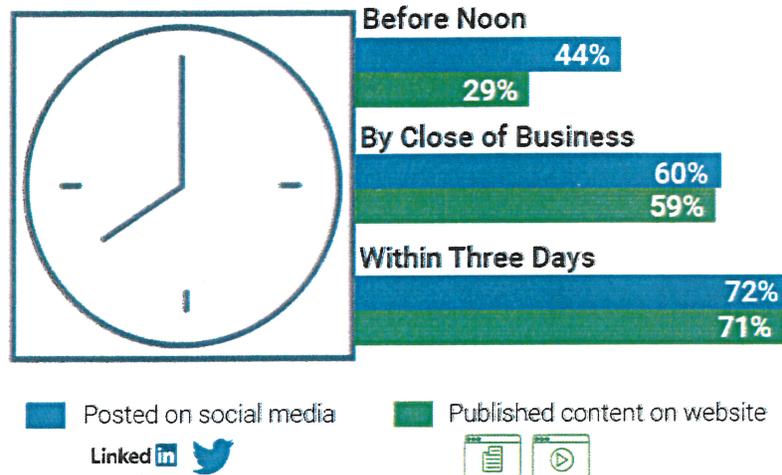
Emerging asset management firms should use significant market events such as last month's decision by the United Kingdom to leave the European Union to stay in front of current and potential clients through a well-planned and executed communication strategy.

"It is always important for firms to communicate as quickly as possible during difficult times or times of uncertainty. I don't think there are any exceptions," said Dan Sondhelm, who recently founded Sondhelm Partners, a firm that helps boutique and emerging managers with distribution, marketing communications and public relations.

The U.K. vote, commonly referred to as "Brexit," on June 23 saw 44% of managers either using Twitter or publishing on

See [BREXIT](#), Page 4

BREXIT FIRST RESPONDERS



Source: DST kasina

BREXIT: Emerging Mgrs. Can Even Playing Field Through Communication

Continued from Page 1

LinkedIn before noon on Friday and a majority having distributed a message by the close of business, according to a review of the top 80 managers by DST kasina, a provider of business intelligence focusing on distribution, marketing and product development for asset managers.

DST kasina began tracking manager response times to major market events at the start of 2015.

"The response time with this Brexit was vastly improved. We think this is the result of the planning. They had some lead time on this," Managing Consultant Mike Cogburn said. "It is great that they took to social media initially quickly and also got some of their own web content out."

The firm is currently analyzing the content to identify messages that stood out and will publish an article in the August issue of its Digital Strategy Insights, which will be available through its website (www.kasina.com).

For institutional investors, the Brexit insights provided by managers can be helpful.

"As things got closer to it, we appreciated what specific managers were telling us in their markets," said Cathy Ulozas, cio of Drexel University.

Investment consultants can also benefit from insights from managers, with NEPC noting to clients in commentary that they would be interacting with investment managers to understand their positioning and views.

Sondhelm said market events provide an opportunity for emerging firms to compete with larger, more established managers.

"This is an opportunity for these boutique firms to level the playing field with the big guys when there is news like this. Communication in general lets you level the playing field. It doesn't matter if you have \$100 billion or \$3 billion in assets, if your communication is engaging, you are the same as Fidelity," he explained.

Cogburn said it is important for asset managers to have some planning in place in order to respond to market events whether they are expected or not, citing a reduced response from managers during January's volatile markets compared to June's anticipated Brexit vote.

"You can't plan for everything, but you can plan and understand that something unexpected might come up and have a process in place if you do choose to react to it," he said.

Sondhelm says it is necessary to think about your means of communication and how clients want to be communicated with, either through e-mail, web postings or social media sites like LinkedIn. "Communicate the way they want to be communicated with," he said.

When a significant event occurs in the markets, Cogburn said managers should get a message out to clients immediately that shows they are aware of the issue and see what is going on and then follow up with more details and in-depth analysis.

"The response doesn't need to be a 10-to-20 page white paper

“It is not just about the event, it is about the engagement (with clients) and the brand.”

response, it could be a 140 character tweet to start," he said.

Sondhelm also said managers don't need to go overboard with a long white paper on the topic. "What is important is that you say enough to sound like you are in control of the issue and are reassuring investors they are going to be ok," he said, adding that for many events, it isn't a one-time message but an opportunity for managers to continue dialogue with clients and potential clients.

Sondhelm recommended utilizing webinars as a means for managers to engage with their audience, including the use of a question and answer period that can also help gain insight into what is on the mind of investors, which can help for future messaging as well as creating additional content. The webinar can also be placed on a firm's website for later viewing by current and potential clients.

Additionally, Sondhelm said managers often times do not utilize the subject line of an e-mail to their advantage. He explained that a subject heading like "Brexit Update" would not help a manager's communication stand out among the noise compared to a subject that was more specific. "It has to be more in the form of a headline. Here is why you should read this. It just makes it a bit more enticing and engaging for people to open your e-mails," he said.

Cogburn said that through DST kasina's tracking of manager messaging following the Brexit vote, the firm found one manager using the news to offer assistance to advisors in talking to clients about the impact on the market and their portfolios.

"It is not just about the event, it is about the engagement (with clients) and the brand," he said.

"The wrong answer is ignoring it a lot of the time," he added. "Some firms may take that approach intentionally because the message may always be stay the course, but you can have that message out there while publishing something."

Each emerging manager can use Brexit as an opportunity to assess their response and grade their outreach in anticipation of the event to determine any changes or adjustments that should be made.

"There is nothing more important than the message," Sondhelm said. "If you don't have a message, then you've got to get one."