Are your investment, sales and marketing teams aligned for growth?

By Dan Sondhelm

It is universally understood in business that the alignment of product, sales and marketing is vital to meeting and exceeding revenue goals.

Organizational alignment around shared goals is what drives efficiency and enables businesses to optimize each stage of the buying cycle. Yet many asset management firms struggle with misalignment, often experiencing unhealthy tension between their investment, marketing and sales functions.

It is not uncommon for asset managers to view these three functions as separate and distinct teams with entirely different missions and goals when, in reality, they are not as separate and distinct as they might appear.

SILO CULTURE INHIBITS GROWTH

As further evidence that a silo culture rarely leads to growth and success in the competitive world of asset management, you will often hear the three teams disparaging each other or questioning their value to the organization. Salespeople complain that they can't be productive due to the poor investment performance or presentation skills of the managers.

You might hear from the portfolio managers that salespeople are overrated – largely unnecessary because good investment performance sells itself, or ineffective in the face of disappointing investment returns.

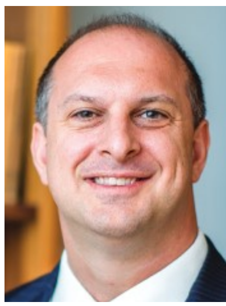
In many firms, marketing views salespeople as overly coddled and egotistical, with no appreciation for their efforts and skills.

While there may only be slivers of truth to these statements, a firm's leadership has a real problem if such attitudes are left to fester throughout the organization. It's not enough for each team to perform their respective functions; if senior managers expect to grow and prosper, they need to place a high priority on tearing down the silos and building a collegial environment, which is the hallmark of top-tier firms.

GROWTH STRATEGY IS NOT OPTIONAL

Asset managers are facing a number of challenges in achieving growth or even sustainability. Thanks to record gains in the stock market, AUM for many firms is up, but their outstanding shares are down. Firms' margins have been thinned by continued fee pressure from a strong passive tide. Smaller or less established asset managers are being cut from the major platforms.

To overcome these challenges, firms must have in place a true growth strategy. Under these conditions, growth is not easy and the pressure on investment, sales and marketing teams is substantial. Asset managers must understand and forge their interdependence if they expect to maximize their contributions to the revenue goals of the organization.



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> **Sondhelm Partners CEO Dan Sondhelm**

THE KEY TO BUSINESS ALIGNMENT

Asset managers who effectively utilize data analytics can create an alignment and interdependence that fosters the free flow of input, discussion and debate, and gives each team an equal seat at the strategy table. Business intelligence is the intersection where investments, sales and marketing meet to set priorities based on what the data tells them. Instead of individual teams driving decisions on their own, they use the data to inform decision-making across the organization in pursuit of shared goals.

For example, if the goal is to shorten the sales cycle and increase closing rates, the teams can use data analytics to determine the highest-value sales opportunities and the most efficient way to pursue them. They can focus their digital outreach to pull the lead information in.

By scoring leads based on their level of engagement, they can be assigned to buckets to be followed up by sales when they reach a certain threshold. Leads with lower scores can be nurtured further until they reach the sales-ready threshold.

The same intersection of data can be used to inform investment strategies that more closely conform to client objectives and preferences. The investment team needs to communicate what it is able to manage effectively based on its expertise. The sales team needs to gather feedback on what prospective clients are looking for to meet their objectives. And the marketing team provides competition and pricing analytics as well as an assessment of market demand. The result is an investment product developed with sales and marketing participation and an alignment of goals and resources to ensure its success.

INTEGRATING SALES AND MARKETING TECH

The challenge for firms is how to leverage their technology to effectively connect the many data points, including CRM, email platforms and websites. Marketing automation software combined with a top-tier CRM system, such as SalesForce, can collect 80% of the data points to create the analytics a firm needs to inform strategy for sales and marketing, and to measure ROI.

Firms that invest in integrating sales and marketing technology have the most success in measuring the effectiveness of their strategies, which goes to the heart of aligning teams. When shared goals, technologies and processes are aligned, firms are better positioned to meet and exceed revenue goals.

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