

How Can Managers Stay on the Map During Lulls?

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Q: How do managers stay on consultants' radar during lulls in searches?

A: Possibly one of a manager's most frustrating challenges is what to do during slow times – periods when a firm's product and strategy are out of market favor. We've learned that it is always important to stay active in the marketplace, especially with consultants and gatekeepers.

During these lulls, institutional sales and consultant relations professionals need to be patient, yet persistent. To be sure, it's not easy to balance persistence with patience. An approach that's too passive will likely result in emails and voice mail messages getting buried in the "inbox" of a busy consultant. On the other hand, managers who are too pushy can bring the stink of desperation, which can be a relationship killer.

Next, managers must avoid throwing out good money and time after a consultant gives them bad news. While managers would always rather hear "yes" instead of "no," in reality it is the outright rejections that narrow our playing field and help them make sound resource allocation decisions.

What happens most often, however, is that consultants and other gatekeepers respond to queries either with silence or a tepid "maybe." When this happens, it's wise to remain diligent and professional, yet ready to sever marketing contact if the consultant is nonresponsive or noncommittal over an extended time. Typically this is a 'gut' reaction and marketers should be prepared to move on when it's apparent that the resources already invested will not produce a useful result. Some other key practices that managers should take into account are:

- **Get pre-approved.** Managers' marketing efforts are typically measured by total assets raised, and for good reason. Managers are expected to raise assets in unfavorable as well as favorable markets. One of the biggest challenges managers face is: How best to raise assets when the strategy is out-of-favor?

We believe a manager's main objective should be to ensure his or her product is "short-listed" or "pre-approved" with consultants and gatekeepers. If managers successfully navigate the due diligence process, complete RFPs and schedule productive site visits when things are slow, then they can move quickly when opportunities finally do arise.

During lulls in asset growth, these efforts represent actual, measurable sales and marketing activities that lead to future asset growth, enhancing value to clients.



- **Don't wait for the market.** Currently, alternative investments are the “Big Shiny Thing” capturing investors’ attention. This means that traditional long-only managers are always competing to replace another manager and not for new money allocated to the strategy. It is impossible for managers to impact the timing and frequency of new search activity or asset allocation decisions by consultants or plan sponsors.

Managers are guaranteed to be “late to the next party” if they wait until a manager’s asset class or style is back in favor. As noted before, the objective is to be in place and ready to go when the next cycle starts.

- **Keep in touch.** In our business, Skype and video conference calls are time saving, cost-efficient methods to stay in touch with consultants during slow times. This activity allows the consultant to be current with a firm’s activities.

In our experience, the benefits of regular video-conferencing have been significant. However, it is important to show respect for the consultant by learning the frequency with which they would like to be updated as well as the mode.

Additionally, ongoing communications should build on the last meeting, focusing on the investment philosophy and process in terms of recent portfolio decisions. Managers can rest assured that prior meeting notes have been entered their databases, so retelling their story in the same way is a waste of time.

A slow business environment is no excuse for being inactive. There are always steps a manager can take to improve relationships with consulting firms -- and the odds of success.



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