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Do you know who's buying your fund?

When thinking through your sales strategy, you probably know that it's easier to encourage more sales of your fund through current advisors than to attract new ones. This is no easy task when it comes to finding out who is selling your fund today.

For this issue of Fund Factor, we spoke with executives from three fund families who work with SunStar Strategic to find out what they are doing to identify who are the advisors selling their funds and what their ongoing communications strategies include.



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Three Firms, One Goal

Jensen Investment Management (Jensen Portfolio), Croft Leominster Inc. (Croft Value Fund) and James Investment Research (James Advantage Funds) are three investment firms that have been successful at pinpointing the RIAs and representatives selling their funds. All agree communicating regularly with these professionals is key to building relationships aimed at retaining and growing assets.

Building Your Database

All three firms concurred that you need to be proactive and willing to do some significant legwork to get the information you need. Each has developed their own database to consolidate the data they uncover and record sales and incoming and outgoing communications. Phillip Vong, head of sales and marketing for Croft Funds, found building their own database was a crucial step in growing the business. "We record everything into a database. Ours includes who our customers are, what their current status is and how much they have invested with us. It also shows a detailed communications' history."

Having this information is critical to developing an advisor marketing program to solidify relationships by keeping them informed about what your firm is thinking and how you are performing.

Hunting and Pecking for Data

Distributor & Transfer Agent

Finding out what information is available to you from your distributor or transfer agent is a huge leap toward your goal. Jeff Battles, regional wholesaler with James Investment Research, recommends that a fund company "fully exploit any information your distributor can provide." Many mutual fund firms just aren't aware of exactly what kind of information may be available. Or, if they do, they may not have the time to analyze it. His firm sent someone to spend a day with the "rank and file folks" at the fund's distributor who uncovered a wealth of information about the types of reports and data available. "This was incredibly helpful for us," Battles said.

Today, they receive a monthly top-level report that indicates total assets by RIA firm. "You'll want to contact every firm on your distributor report in order to get more detailed information. Drill down from the top, starting with firms that have the most invested in your fund. Then, build your own database." This effort involves phone calls, surfing the web and relying on other external databases. The bottom line is to get as much information as you can into one, workable, place.

For self-clearing firms like Raymond James and LPL, Jensen Portfolio relies on reports and a proprietary system from the fund's transfer agent. "We use US Bank's product, VISION, through a web-based interface," said Richard Clark, director of sales and marketing at Jensen. "Without it, we know the firm that dropped tickets, but not necessarily the underlying investment representatives. In many cases we get a rep number and can follow through from there. It takes a real commitment, but it's worth it to build the relationships."

Often, learning more about the RIAs using your fund means investing significant time doing the research. Reaching out by phone to smaller RIA firms may easily lead to talking with the decision makers. In larger firms, finding out if there are analysts who make recommendations can be more difficult. But trying is a valuable first step.

Major Platforms

Platforms like Schwab, Pershing, TD Ameritrade and Fidelity provide regularly updated and fairly robust reports, most of which are accessible through password-protected Web sites. Contact your account rep at each to talk specifically about the reports that may be available.

"Finding out who is in the fund is extremely important. If 200 reps use your fund, find out as much as you can about them. Pursue those who put a toe in the water and then regularly communicate to expand those relationships," said Clark. "If a new firm has bought our fund and we are not familiar with them, we do whatever we can to find out more about them. We use external database providers or even just Google the firm to find contact information. We'll usually call to establish a connection or at least send them a thank you email."

Battles will call the branch office and ask to speak with the mutual fund research analyst, branch manager, or owner. "Ultimately, I'm looking to reach the decision maker and establish who is a fan of James." He finds most firms receptive to his call and respects their decision to be contacted in the future or not. He added that he's engaged in guerilla marketing by cutting and pasting investment representative names, emails and phone numbers from firm Web sites to supplement his contact information.

Likewise, Vong said, "When we spot a new advisor, we call them and try to find the specific person that purchased our fund. This is often difficult to do. But if we are able, we invite that person to talk with one of our portfolio managers, ask if they need anything from us, provide more details about our story, find out how they heard about us, and send them a thank you letter with some marketing materials."

When making new contacts, each of the firms segments the advisors they'll try to reach by the size of tickets or assets under management. Even a relatively small ticket may open the door to a good relationship over time. Prioritizing and working a plan and then regularly communicating are some of the keys to success in this effort.

Database and List Services

External database providers, such as Discovery or RIA Database, can help populate specifics about your advisors. These providers house information about assets under management as well as names, phone numbers, addresses and more about RIAs and registered representatives. Starting with minimal information about which firms invested can be supplemented by using these resources.

Battles recently started using MARS, a customer relationship management system that houses demographic information as well as call notes and literature, and can be used as an enterprise-wide solution. MARS only provides information for advisors who have written their first ticket with the firm, so Battles has also purchased RIA lists by state from FMG Media Group to build up his database of prospects.

You have the information, now what?

No matter how elaborate your database, its real value is found in using the information going forward. A robust marketing program that specifies communicating consistently with these advisors is essential to building sound

relationships. Keep them in the loop about what you are doing with email marketing campaigns, regularly scheduled conference calls and webinars and client appreciation events.

“We do our best to contact heavy users (\$250K+) on a monthly basis, \$100K+ on a quarterly basis, and \$100K or less on a semi-annual basis,” said Battles. He recommends going to conferences to make yourself visible to your advisors. “Whether they say, ‘I use your fund’ or ‘I’ve never heard of you,’ it provides the opportunity to begin to develop a relationship.”

In addition to attending conferences to meet advisors face-to-face, Vong says “we are also sending fund updates by email when we have something of interest to say, such as when we are profiled in the media. We offer conference calls so advisors can interact with us on a regular basis. We also significantly upgraded our Web site to provide more timely information as well as archive our press coverage, conference calls and other information.”

At Jensen, quarterly information is emailed that includes fact sheets, attribution analyses and a newsletter. Additionally, they host quarterly investment professional-only conference calls, which “larger institutions and advisors seem to like,” said Clark. While he sees value in the Schwab Impact and Morningstar conferences, “our thought is we see the same people at smaller conferences. Small firms can get lost in the mix at the big conferences.” Regional conferences often provide more economical opportunities to meet investment representatives as well as offer speaking spots to showcase your fund and process.

Find more of the same.

It is important to not leave out one question from initial conversations with advisors: “Why did you choose our fund?”

Perhaps the advisor had his existing similar fund blow up and was looking for something better. Maybe he liked your investment process, themes in the portfolio, specific holdings or low turnover.

Then, note why advisors are buying your funds. These are the messages you could pitch to other advisors who have similar characteristics. To get leads, work the databases and find advisors who were quoted in the press talking about your themes.

Learn more about specific strategies by visiting SunStar Strategic. We’ve recently redesigned our site to provide more resources and ideas. We can help craft marketing strategies specifically tailored to your company or your funds, implementing all of the latest cutting-edge trends in interactive and multimedia marketing, including video.



SunStar Strategic works with retail and institutional investment managers and mutual fund firms to attract investors, strengthen distribution and build brands through structured news generation programs and smart marketing. We know the industry and the reporters who cover it. We also understand the often challenging legal, regulatory and compliance issues facing clients.

Find more about smart marketing and successful public relations campaigns in our blog: FundFactor.net