

Moving Beyond Administration:

How administrators are helping clients tackle asset growth through distribution support services

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As we all know, there is no silver bullet to raising assets. Asset managers need to be executing on all fronts. However, the biggest challenges are often seen on the middle to small end of the market where firms don't have the internal resources to dedicate to their marketing and sales efforts. The challenges are typically in four primary categories: product, sales, marketing and distribution.

The product challenge is generally centered on the continual downward pressure on fees the industry is facing. Lower-cost and competitively priced products are winning in the marketplace. Surrounding all of this is an ongoing struggle for market share between active and passive investing solutions. Asset managers are trying to figure out how to price their products and rationalize product line ups in order to remain competitive and relevant.

Administrators have an opportunity to extend their services and partnerships to bring more distribution support to the forefront.

Depending on the size of the firm, asset managers are also facing decisions on how they are going to sell their products and what approach they are going to take. At some point, firms determine they need to make a difficult decision to either hire or outsource sales help to continue to grow their business. That cost commitment can be a difficult one to make and finding talent in a competitive space can be even more challenging.

On the marketing side, the challenge is to break through the clutter and be heard by your target market with an often-limited budget. It is critical to try to narrow the marketing funnel. This requires targeted marketing efforts for the type of person who would buy your product. On the retail mass market side, utilizing digital marketing and SEO in order to improve targeting and stretch marketing dollars is beneficial in this effort. It is also critical to recognize the need for a customized strategy that begins with creating compelling content to educate the sophisticated institutional buyer about your investment process – an initial investment that could make a tremendous difference in reaching much larger pools of assets.

Ultimately, distribution challenges are best addressed through a strong channel strategy. What channels are realistic to target? Product shelf space is shrinking. It is imperative to offer the right product in the right vehicles at the right price in the right channels. It is not possible to be all things to all people. It is important to critically look at each distribution channel and the realistic opportunity for inclusion, whether that be through sophisticated institutional investors, RIAs, independent/regional B/D's, wirehouses, or supermarket platforms.

Administrators have an opportunity to extend their services and partnerships to bring more distribution support to the forefront. And while many administrators are touting distribution as critical, few have been able to bring a comprehensive solution to clients that answers the myriad distribution challenges while connecting managers to vetted partners.

UMB Fund Services (UMB) has created a robust toolkit that offers services across the spectrum of sales and marketing – a toolkit informed and designed by the experiences and insights gained from hundreds of clients and more than 25 years of experience working with asset managers. While small managers may face the biggest need, these tools are just as viable for mid-sized managers who may not have the internal infrastructure.

UMB supports managers in two important ways: traditional retail distribution and support required to target institutional buyers. We believe our focus on the institutional audience is unique in the marketplace. From a retail perspective, the toolkit offers an efficient pricing model for managers to access sales and marketing support, product development insights and meaningful research to help identify opportunities. It also offers robust data solutions and reporting to bolster distribution efforts.

As we look to the future and see trends impacting the industry, we continue to evolve our offering to bring our clients the best thinking from our team along with deep expertise from our industry partners. At UMB, we recognize that administrators have a unique opportunity to extend their expertise and services to help clients truly grow their businesses – a key motivation for the creation of our distribution toolkit. ■



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Karen serves as the Chief Compliance Officer for UMB Distribution Services, LLC. She is responsible for ensuring broker-dealer compliance with all FINRA and SEC rules and regulations, including review, approval and FINRA filing of marketing communications with the public, as well as for registered representative oversight.