



## CUSTOMER SERVICE

# SECRETS OF A SUCCESSFUL PARTNERSHIP

**Client service and open, in-depth communication with regard to products, investment market expectations and company strategy are key preconditions of any successful long-term partnership between an asset management firm and its distribution partner**

**A** clear trend has emerged in European fund distribution over the past few years: the trend towards guided architecture, which is based on close, preferred and enduring relationships between distributors and asset managers.

These days, most distributors of asset management solutions engage in some form of partnership with a limited number of external providers of asset management services.

Such partnerships are established primarily with firms that can contribute a well-diversified range of products comprising investment solutions across different investment styles, asset classes and risk profiles.

Typically, a multi-style/multi-product offering can be handled by 10 distinct investment centers of excellence

based in different locations across the globe.

In addition to this, a number of products and client assets can be managed by the investment teams of a sister company.

## » ADDED VALUE

But the provision of a broad range of products alone is not enough to get the funds of external asset managers onto the distributor's shelf. A wide variety of high-quality products is a "must-have".

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added value for the distributor. But what other potential advantages can investment firms offer a distributor looking for a preferred third-party provider? For example, these include a strong brand name, independence from major financial conglomerates or the ability to serve distribution partners worldwide through a tight-knit global network.

Client service and open, in-depth communication with regard to products, investment market expectations and company strategy are also key preconditions of any successful long-term partnership between an asset management firm and its distribution partner.

Another significant factor is the degree of reliability with which the promised services standards and communication are delivered over the long run. Large global suppliers are in an advantageous position here because their infrastructure is fed with a constant flow of investment and management attention. Unlike smaller investment boutiques, they also do not necessarily depend on a limited number of key personnel handling the client relationship.

Nonetheless, large firms also need to pay special attention to this aspect. For them, the challenge is to set up multiple touch-points with clients involving various global investment teams, product managers and other client relationship teams.

## » SUPPORT

Such support functions as risk management, IT (for example, for the development of STPs or automated communi-

cation links), legal and compliance play a key role because they can make or break a client relationship. Often, multiple touch-points have to be established with clients who boast their own global organisational structures as well as local organisational units. Although these are rather different in nature, both must be serviced equally well.

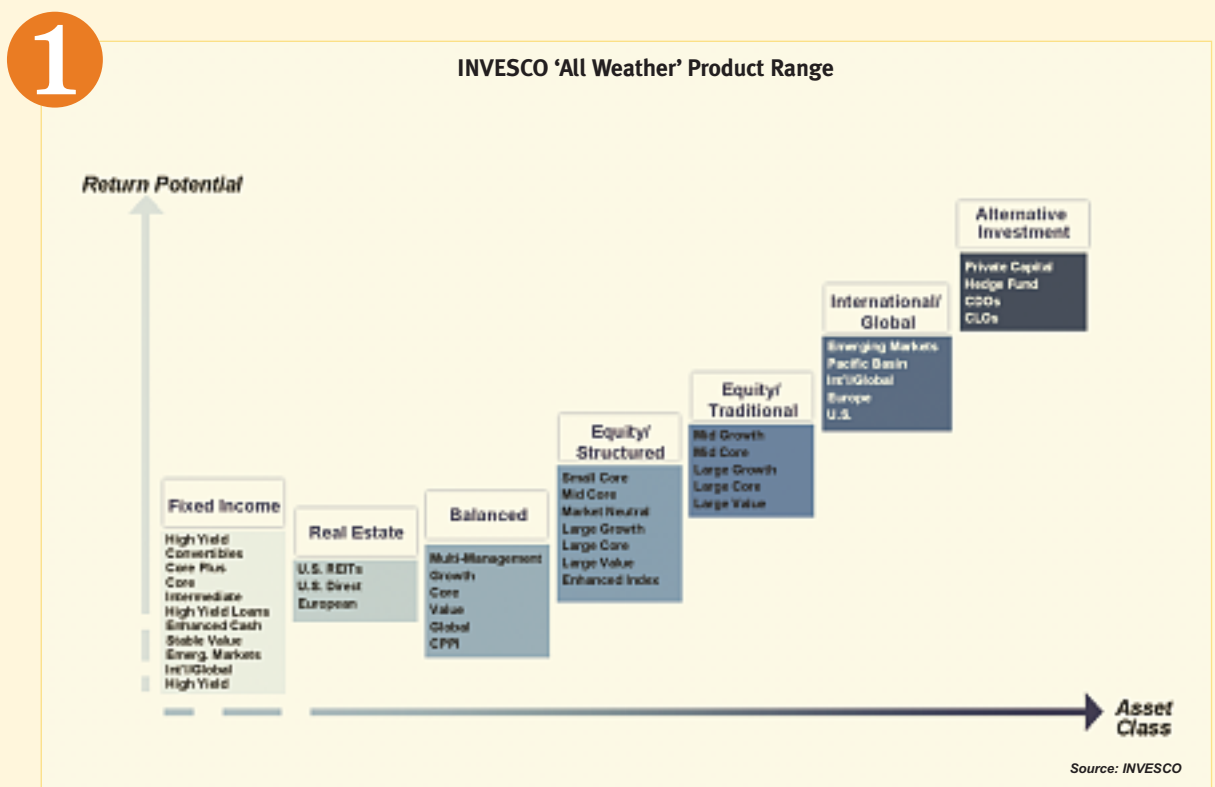
For this reason, forward-thinking firms have built up and established a strong local network of offices over the past decade which allows the company to service and really understand local needs while also offering a global network to compete on the forefront of product innovation, the creation of investment solutions and infrastructure delivery.


## » COMPETITIVENESS

Many investment boutiques are relatively well positioned with a very limited offering of speciality products that may be en vogue for a while but may fall out of favour again over the course of time. For larger players the key challenge is not to let their size hinder their innovative capacities in terms of product development.

A sensible global product line management should be based largely on three pillars. The first pillar and backbone is a dedicated central team, whose aim it is to provide an unbureaucratic and proactive environment and to ensure that the “time to market” for new products is kept as short as possible.

The team also facilitates the overall process and assess-





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es the quality of the current range. A number of teams comprised of senior client relationship and investment experts serve as the second pillar of the product line management function.

They are integrated into the daily work environment in various local offices from Australia and Hong Kong through Great Britain and Continental Europe to the US. These teams feed into the process bottom up.

The third main pillar comprises frequent conference calls with select investment professionals who keep us at the forefront of innovative investment thinking and the latest developments in the financial markets.

Thanks to this combination of strengths and sophisticated processes, product manufacturers can show a strong track record in product innovation. Innovative products recently introduced for distributors include those with a capital protection based on Content Portfolio Protection Insurance processes, multi-management products and inflation-linked bond products that have been gaining in popularity.

## » INVESTMENT

New developments, for example in the areas of risk management or compliance, require significant investments in systems and professional staff to ensure that the high quality of current investment solutions offered to clients is preserved. The same sort of resources and infrastructure are also key preconditions of the development of new, innovative products.

Over the past few years, the asset management business has been characterised by a relentless push for new excellence in all areas of investment management. This trend is likely to persist and will require significant additional investment.

Big groups are in a strong position to ensure that these sorts of investments are made in an efficient manner. Firms can leverage their worldwide resources to further improve the quality of products and services as well as communication to the benefit of distribution partners.

*Carsten Majer, Chief Marketing Officer, INVESCO Continental Europe*

## » CORPORATE STATEMENT

INVESCO Continental Europe is part of AMVESCAP PLC, a leading independent global investment manager dedicated to helping people worldwide build their financial security. Operating under the AIM, INVESCO, and Atlantic Trust brands, AMVESCAP strives to deliver outstanding investment performance and service through a comprehensive array of retail and institutional products for clients around the world. The Continental European business division has offices in Amsterdam, Brussels, Frankfurt, Madrid, Milan, Paris, Vienna and Zurich. INVESCO offers specifically tailored strategies, client services, products and marketing for each of its European markets. With strong local bases, INVESCO's Continental European network has a total of about \$18.5bn in assets under management (as per December 31, 2004). INVESCO Continental Europe: a local player with a global reach.



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