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## CRM Shopping Takes Preparation, Diligence

The current market conditions have created a need for enhanced client service and the ability to maintain relationships over a longer sales process, which has made customer relationship management software a vital aspect of any firm's business.

For emerging managers, navigating the industry can be a daunting and overwhelming process.

"You have to know exactly what you want to do with a CRM," said Julia Peter-Kerr, founder of Quotient Investments. "A lot of (providers) say it is easy, and then when you realize the steps it takes to do the things you want to do, it is much more cumbersome than you would like."

Quotient, which launched in late 2007, signed on to CRM provider Satuit Technologies when it opened its doors.

"I think a CRM is critical to us, particularly as an emerging manager, to be able to grow our business, to keep track of prospects, discussions with consultants and basically all communications with clients," Peter-Kerr said.

Understanding how a CRM tool will be utilized is the first step in the selection process.

"There are plenty of customer relation-

ship management systems that can apply to any industry, so it's up to those money managers to determine how important it is to them to have a tool that is really specifically designed for that segment of the investment industry," said Peter Delano, research area director at TowerGroup, a research firm focused on the financial services industry. Delano recently co-authored a report on CRM vendors.

"Regardless of the size of the firm, the need to be responsive to clients is incredibly heightened in periods of down performance and periods of volatility," he said. "To the extent that a firm can work better with their clients and use technology as well as update their business processes to be more in tune and that much more proactive, all of those things make a difference in terms of success as markets turn around."

"We find it essential to keep track of all communication, and to be able to do that in a CRM is invaluable," Peter-Kerr said, referring to RFPs, e-mails, client correspondence and newsletters, among others. "If we ever need it in terms of compliance or SEC audit, we have all records in one place."

**See CRM, Page 6**

## CRM: System 'Only As Good As The Information Put Into It'

### Continued From Page 1

"I think the biggest thing to take away is that a CRM is a discipline, it is not just software. People just want to think about it only as software," said Karen Maguire, CEO of Satuit.

Satuit's flagship system, SatuitCRM, offers users full CRM functionality, complete application configuration, pre-build integration APIs, and application extension functionality through a Web-based interface.

Maguire said the advances in the CRM industry over the past few years have made the systems less demanding in terms of IT support and also firm's wallets, something Delano echoes.

"I think when you look at the landscape of the technology providers that are out there, there is a good range of different levels of CRM. It is not the case that a small firm, if they can't invest in the biggest or most well known CRM that they are out of luck in terms of functionality," Delano said.

TowerGroup identifies relationship management, contact management, campaign management, analysis and reporting and mobile accessibility as the core elements of any CRM application.

Firms such as Advent offer a CRM system that incorporates portfolio reporting. Advent Portfolio Exchange was launched three years ago as a means to provide firms with portfolio reporting and client relationship management functionality in one integrated platform.

"I think people are seeing the value of an integrated CRM with their portfolio system even more," said Michelle Holton, director of product marketing at Advent, adding that the firm has a diverse client base ranging from firms with as low as \$20 million in assets under management to over \$50 billion.

Advent places a different spin on CRM, calling it client relationship management because of the product's focus on client service and reporting capabilities, including the ability to automate report packaging that can include items such as portfolio appraisal, attribution reports and summaries for clients.



**Peter Delano**

"(Managers) are really trying to be efficient and leverage everything they have and one of them is to provide the highest client service they can," Holton said.

Delano said the ability to integrate other applications a firm currently uses is another issue to think about. "To the extent you want to have one view of the client relationship, if you have other applications that are surrounding it, you want to pull that information into one view," he said.

Maguire of Satuit said CRM systems have become much more of a core application in recent years.

"We have seen a number of managers who upon setting up shop are actually looking at a CRM decision as well," Maguire said. "We've seen that become a bit more of a trend that would have been unusual for us a few years ago."

"It is a sense that having that kind of information on your prospects, on your clients, on your consultants is important right out of the gate," Maguire said.

Tammy Wiseman, marketing manager at Nicholas Investment



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**Karen Maguire**  
CEO  
Satuit Technologies

Partners, said the critical thing about any CRM system is how a manager uses it. "It is only as good as the information you put into it and it has to be used by all the key parties involved in that process," she said.

Wiseman, who uses Salesforce, said she has also found the CRM system helpful for tracking marketing campaigns or conference attendance to see if they were successful and where marketing dollars are well spent. "It will keep you informed of how you are spending your resources, your time and your people and your money," she said.

Meredith Jones, head of global marketing at PerTrac Financial Solutions, said having a CRM system in markets like these is very important for firms to help them manage the contacts they have.

"If there ever is a time to make that investment, even though it seems counterintuitive, this is certainly the time where you need that efficiency," she said. "You can get sucked down that rabbit hole and not have time to run your business and run your portfolio, so it is extraordinarily important."

PerTrac's product, PerTrac CRS, is a relationship management system that organizes all communications, documents and related information with contacts in a central Outlook-based repository and also shares information with the PerTrac Analytical Platform, an investment analysis and asset allocation software.

Jones said for firms having more than one person involved in the sales process, the ability to see past phone or e-mail conversations can help portray a cohesive business. "It allows you to look much more professional," she said.

After identifying potential CRM options, it is important that managers feel out each system to ensure it can perform the necessary tasks they need and want.

"Make them use a live example that is most relevant to you. That way you have an understanding of how it would work in your world and what work-arounds you may need to make it work the way you want it," Wiseman said.

Peter-Kerr said managers should "sit down and rank what is most important to you and make sure in evaluating a system, it can fit your needs." She said that for CRM systems that do not offer trials, she suggests spending time with the sales people to make sure the product is fully understood.

For example, the organization of information on consultants

Continued, Page 7

## CRM: Mobility Will Become More Important As Systems Evolve

### Continued From Page 6

with multiple offices was something Peter-Kerr paid particular attention to.

"You have to understand how you want things organized and you really need to go through examples to make sure that CRM can handle how you want to see the world," she said. "The institutional investment community is complex and consultants are very important, so it was essential for me to be able to see all those interconnecting relationships."

Another important aspect of CRMs is accessibility.

"Certainly, the importance of mobility is something that is definitely notable as we continue to evolve what can be done on a handheld device and have the CRM tools to work on those different devices," Delano of TowerGroup said. "I think the interesting thing from a technology perspective is that the technology providers are

really looking at the full state of connectivity."

Peter-Kerr said Satuit's Web-based system has been helpful when she is out of the office and needs to access a particular document or file. "I can upload marketing materials to the system, so I have all my marketing materials in one spot," she said.

"The ability to have a hosted application that you can get either through a Web browser or through some other direct connectivity, that is a big difference that opens it up to smaller firms that don't need to have the data center with the database and security and disaster recovery elements, etc.," Delano said.

Ultimately, Delano said, a CRM system can help a firm in arguably the most important way.

"As firms want to add assets and have larger clients and more demanding clients, all of that points to the need to have strong customer relationship," Delano said.