

Tips From The Pros 2000



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Charnley & Røstvold, Inc.

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Technology

- Streaming video...palm pilots...battery chargers on airplanes...client accounts on the web...videoconferencing...cell phones...electronic libraries...web sites/e-mails for industry newsletters...on-line faxes and directories...technology is changing the investment management workday from 9-5 to 24-7 – we all need to keep with the pace of change to be competitive.

Bob Marren, *MFS Institutional Advisors, Inc.*

- **Using Technology to Improve Customization:**

I have come to consider investing a “contact sport,” with the communications and entertainment components that come with the category. The playing field, beyond performance, is defined by information which, when orchestrated, can help a firm differentiate itself and build credibility.

As investors (both institutional and individual) advance on the sophistication curve, they become more discerning about the quality of information they receive to help them judge a firm. They are able to read right through boilerplate. Technology can help you eradicate boilerplate.

First, technology can support your effort in capturing what I call “original information.” This is the stuff right from the stars in your firms. By taping and codifying the “so what” of your process and philosophy, you begin to compile a databank of distinct insights on your firm that can be infused into all written and oral presentations.

Second, advanced technology marrying data with graphics allows you to show, not tell. You can make specific, original evidential points that telegraph credibility.

Finally, technology makes it essential to customize. No matter how sophisticated this business becomes, investing will always be personal. The more your communications reflect client preferences, the closer your relationships become. Think of your clients as fans.

Dana Dakin, *Dakin Partners*

- As you know, it's hard to reach everyone with hard copy mailings. To leverage your time, reduce expense, and reach a wider audience, send PDF documents. Put all marketing materials in PDF format for:
 - ▶ Circulating around marketing department for proof reading
 - ▶ Posting to your firm's Intranet and web site
 - ▶ Posting to brokerage firms' Intranets
 - ▶ Blast e-mail campaigns
 - ▶ Specific e-mail requests

Ray Lewis, *Brandes Investment Partners, L.P.*

Web Sites

- **Tip One:** A web site that addresses the needs of multiple users should be query driven, and not simply an electronic brochure sending readers to PDF files.
 - ▶ Consider using the population of consultant questionnaires and RFPs that come into your firm as a basis for the topics for which one might visit your web site for information. Think of the database that supports your web site, like an “RFP master” that the web-user devises the question – and your database “responds.”

Tip Two: Be sure the info on your web site is legible on a wide variety of computers – if it's not legible, the audience will simply go to the next provider. Beware; the quality of the image on the screen typically determines the quality of the printed version. Few readers will incur the expense of printing a web page in color – be sure the message isn't “lost” by printing in black & white.

Liz Prator-Ross, *Callan Associates, Inc*

- While not in place, we are exploring utilizing software (e.g., Vignette) to automatically route “elements” of text from the source through the approving parties and ultimately onto the web automatically. Vignette will track the date and time it was “delivered” to each person. No more tracking down pieces...or lost time between those who need to approve the piece.

Birgitta Istock, *TCW Group*

- A manager should never tell a consultant to go to their web site to find marketing information they want. That’s expecting the consultant to do your work for you.

Jeff Nipp, *Watson Wyatt*

- **What to avoid when developing your web site**

- ▶ Use of the latest bells and whistles, e.g., java, flash, frames, etc., (which require a plug-in for pre-4.0 browsers).
- ▶ Lost pages – every page on your web site needs to stand alone. At any point on your web site, viewers can bookmark pages. Be sure to add an index or home button to every page.
- ▶ Long scrolling pages – few users scroll beyond the information that is visible on the screen. Put all important information at the top, as well as include navigation options.
- ▶ Lack of navigational support. Provide a site map, and depending on how large your site is, a search feature.

Patricia Holmes, *Charnley & Røstvold, Inc.*

Web Sites

- On all electronic marketing pieces (including PDF files and your web site) which reference assets and/or performance, clearly state that the calculations are based on U.S. currency. Although this statement is already required to be included in all AIMR performance footnotes, it is a good idea to also include it on the actual charts, tables, etc. This is particularly important for your web site data as the web is WORLD WIDE.

Victoria A. Luiten, *Provident Investment Counsel*

- Limit line length to fewer than 60 characters so viewers don't have to scroll to read the entire text. Using tables will help control your line length and create white space that eases readability.

Use formatting to help headings/subheadings stand out. Use a different typeface, color or size. Do not use all capital letters; they are harder to read and take up more space.

Use motion to attract, not distract. Rotating, bouncing or flashing logos or images can divert attention from your message. One moving element attracts attention, two moving elements compete with each other.

Use visuals, but keep the size of your graphics as small as possible. Large files take longer to download and visitors may become impatient and leave your site. Strive for maximum image quality with the minimal file size:

- ▶ Use GIF files for illustrations with broad areas of a single color
- ▶ Illustrations typically load faster than photographs
- ▶ Use JPEG files for photographs containing many colors
- ▶ Save images at the correct resolution (most monitors cannot display more than 72 dots per inch)
- ▶ Save only those colors actually used in the graphic

Linda Sherman, *Charnley & Røstvold, Inc.*

Web Sites

- The Internet's ability to enhance relationships between companies and their constituents (customers, clients, vendors, lenders, investors, business partners, and employees) has compelled forward-thinking professionals to capitalize on, and incorporate into their businesses, the tools and resources available to their business audiences through the World Wide Web. A company web site serves not only as an informational resource to the aforementioned constituents, but also should provide rapid access to features and services traditionally available only during “normal” business hours. Established business-to-consumer and rapidly evolving business-to-business e-commerce channels hold the promise of delivering around-the-clock, global demand for the services of the fully able business. Increasingly, an effective company web site is necessary for a business to succeed in the new economic arena.
- Involvement in your company's Internet efforts provides tremendous opportunity to add value to your business. However, the level of commitment necessary to create and, more importantly, maintain an effective company web site should not be underestimated. A truly effective web site requires input from virtually every department within an organization and demands maintenance and redevelopment vigilance. Though few within an organization will want to make time to explain in great detail how they get their jobs done, it is imperative that they focus on the ways in which the company web site can support their functions. Once these individuals understand the windfall of benefits that can be realized both by themselves and by the company through the Internet, they will be more willing to commit the necessary time and energy to sustain the effort.
- Whether you are preparing to create a company web site, or wish to ensure that your existing company web site realizes its potential, the following are a series of tips that should help secure a place for your company in the new economy:
 - ▶ **Understand your business.** Although this seems to be a rather basic concept and most of us feel that we have a solid grasp of the inner-workings of our businesses, only those whom have initiated and maintained your company's business relationships truly understand how your business functions. Work with these people to gain an understanding of their constituents' needs and to determine the feasibility of meeting these needs through the company web site. Understanding your business and the needs of its constituents is crucial for the development of an effective site.

Web Sites

- ▶ **Establish reasonable goals/Set reasonable expectations.** You will first need to determine the type of site you wish to employ in your business to determine what objectives you seek to realize. Company web sites range from "brochureware" (on-line materials intended to broaden awareness about a business and to support a company's branding efforts) to transactional sites that allow users to enact service-orders and complete purchases on-line. Your company's specific needs have to be addressed in order to determine your site requirements. Once your needs have been assessed and the type of site necessary to meet these needs is determined, goals for the web site must be established and effectively communicated. If you are able to articulate to everyone within your organization the role that the web site will play within your business, you will be able to enlist the necessary support to ensure the success of the initiative.
- ▶ **"Deputize" Personnel.** Although you have an opportunity to add value to your business through use of the Internet, you probably have many responsibilities other than the direction of the company web site. Because of this, it is very important that key personnel contribute to your company's Internet efforts. In order to justify the up-front workload required to build and maintain a web site, you should, if possible, enumerate the ways in which the company web site will increase productivity while lessening each individual's workload over time. It will be especially helpful if your company's senior managers mandate that key employees take ownership over the section or sections of the site pertaining to their core competencies. Having the support of key personnel will not only create momentum for a web initiative, but will also help ensure that your web site's content remains "fresh."
- ▶ **Find the right Internet business partner.** Unless you have the skill-set in-house to create and maintain your company web site, you will need to find a web design agency that will partner with your business to create or further develop your company web site. There are many web design groups with industry-specific expertise with which you may wish to partner, but the most important criteria are: (1) willingness to learn your business, (2) demonstrated ability to creatively leverage technologies to satisfy your company's requirements, (3) financial stability, and (4) customer satisfaction.

Web Sites

Even if you have a fully developed company web site, you should have an Internet business partner assist you. A good Internet business partner will ensure that you are making use of the appropriate tools, techniques, and technologies in your site. Furthermore, as your business evolves, so should your web site. The support of an experienced and knowledgeable third party guarantees that your web site will reflect the current state of your business.

- ▶ **Review, Review, Review.** Outline a process of internal review to ensure that your web site is meeting the particular needs of specific audience members. Should you determine that certain constituents are not accounted for or are not being serviced adequately, enlist the support of the person(s) managing the business relationship to determine the best method of getting relevant materials on the web site and to determine how these materials should be presented. In addition, review with your Internet business partners the effectiveness of your site architecture through analysis of visitor traffic patterns. The most effective web sites are the easiest to use. A regular review of your company web site's performance will ensure that your site quickly and easily provides audience members with the resources they need. In addition, a quarterly analysis of the costs/benefits associated with the company web site should be provided to Senior Management to support the campaign. A glimpse into the increased business flow, customer satisfaction and retention, and cost savings realized through the company web site, should bolster your efforts.
- Although, a company web site requires a great deal of time and commitment from various members within an organization (from CEO to Associate), to be a leader within today's business world, a company must be a leader on the Internet. Those professionals able to make use of the medium to enhance their businesses will lead their businesses into the future.

Andrew Barnes, *W. P. Carey & Company, Inc.*

E-Mail

- Different contacts at the same consulting firm have different preferences with respect to use of electronic communication. It is important to confirm how the consultants want to communicate with you. Use email for sending time-sensitive information only; emailing performance updates weeks after quarter-end is a nuisance.

Jeff Nipp, *Watson Wyatt*

- Beware of email; a message written as compared with one said, has far more impact and is subject to misinterpretation. If you are the least bit hesitant to send the message, don't. Pick up the phone, or even better, go visit your associate/colleague, etc.

Liz Prator-Ross, *Callan Associates, Inc.*

- When sending emails with questions or meeting/call dates to be addressed, format your message to be user-friendly:
 - ▶ Bullet out the question(s) to be answered
 - ▶ Bullet out meeting dates, time, location, attendees being considered
 - ▶ Clearly close your message with what the next step will be, e.g.:
 - I look forward to receiving your confirmation for the meeting by the end of the week

Create a folder marked "Follow-up" within your email system and place emails with questions to be answered, etc., there to help you track status

- ▶ Once you hear back, send email reply with a thank you, confirmation, etc.

Quality control: have someone proof email address, subject line and message. Your accuracy will be appreciated.

Sally Horaney, *Charnley & Røstvold, Inc.*

- When sending emails, especially blast emails through a listserve, make sure your lines contain no more than 120 characters. This will eliminate awkward sentence wrap resulting in one- or two-word lines on the receiver's end.

Never email anything you would not want to read in tomorrow's newspapers. Be careful when using sarcasm and humor. Without facial expressions and tone of voice, they do not translate easily through email. Keep messages and replies brief and to the point.

Linda Sherman, *Charnley & Røstvold, Inc.*

Client Reporting

- In addition to customized monthly reports, I create and send online surveys to my clients each quarter to keep an open dialogue with them and to gain valuable feedback. Because they are easy, fast and convenient to complete, I receive a much higher response rate than from traditional surveys. Not sure what to ask? Keep a log of the questions and requests you receive and use them as a source for survey questions.

Online surveys are also useful to improve your internal communications and to gain support for your proposed projects and ideas. Ask for comments from your sales and management teams before implementing a new data management or production process and you'll be more successful at establishing and enforcing the new procedures.

Lauren Cola, *A.S.A.P. Data Exchange, Inc.*

- By adjusting the “corners” – or benchmarks – of returns-based style attribution charts, portfolios that appear to have style drift can be made to look in compliance.

Nick Mencher, *Invesco*

Sales Activity Tracking

- **Tips for Sales Activity Tracking**

- ▶ Have one central input
- ▶ Use an electronic system that will enable you to run a variety of reports
- ▶ Input all relevant fields (e.g., prospect, product, account size, revenues, etc.)
- ▶ Give reps a high sense of accountability for activity and reporting
- ▶ Simplify the goals
- ▶ Help reps prioritize what you want them to do

Pete Johnson, *Nicholas-Applegate Capital Management*

Database Management

- I know several firms that have used technology to merge qualitative and quantitative client information into one database. By having quick and easy access to comprehensive data from a single platform, they have improved service to clients, prospects and consultants.

Here are three examples of how a firm might use an integrated database:

- ▶ To generate a monthly or quarterly “At Risk” report that lists client, product, assets, year-to-date and since inception alpha, client service representative, and date of last client meeting.
- ▶ To determine the number of clients and aggregate assets managed for public clients in California for an RFP response.
- ▶ To prepare for a consultant meeting by producing a report that lists consultant contact, client name, client contact name, portfolio manager, product, assets under management, and since inception alpha for all mutual relationships.

Typically, the firm builds a database (Microsoft Access) that serves as the user interface. The database houses qualitative client information (client name, address, product(s), consultant, etc.) and extracts quantitative data (assets under management, risk characteristics, performance) from the accounting and other systems. Advent has an off-the-shelf solution called Qube, a relationship management database product that is fully integrated with Advent’s accounting system. The last time I spoke with ProTrak, a relationship management database provider, they were working on similar capabilities.

Kristine M. Detwiler, CFA, CPA, *The Detwiler Group, Inc.*

- We maintain a database which contains relevant information on each strategy including strategy name, portfolio managers, legal and compliance personnel, types of marketing pieces produced, and status of each update. From this database, we are able to produce a wide array of documents including an inventory of the available marketing materials, a summary status report to management as well as a comprehensive quarter-end summary which lists the date of each step in the updating/approval process. This is helpful to show the regulators that each step is, indeed, taken. In addition, we are able to print a variety of other reports without constantly retyping information such as the names of the strategies.

Birgitta Istock, *TCW Group*

Project Management

To quote Jim Manley, recipient of the first Richard A. Lothrop Outstanding Achievement Award, “people don’t plan to fail; they fail to plan.” Successful, on-time project completion requires effective project management. Tips for success are as follows:

- Designate a project leader/coordinator who will:
 - Break the project into components – development, production, proofing, packaging; delivery, etc.
 - Determine estimated time and resources required for completion of each component; add a 20% time cushion for the unexpected developments
 - Meet as a group with all project participants to discuss project, and assign roles, responsibilities and deadlines
 - Develop project completion checklist with accountabilities and time frames, and distribute to group
 - Continually monitor progress and reassign roles and responsibilities if needed
 - Conduct debrief meeting with group after project completion to discuss what worked, what didn’t work, and ideas for improving the process in the future

Christine Røstvold, *Charnley & Røstvold, Inc.*

Communication

- Is your message consistent, clear and compelling. Is every communication from every member of your firm saying the same thing about who you are and what you do? Does your integrity and commitment show in every communication? Do all of your materials have a common look and feel so they reinforce your message and provide branding?

Remember, each person you communicate with will have a particular style of hearing and receiving information. Each of them may have different needs and wants. The only way to ensure your message is heard by each is to ask them what they want and how they want to receive it, then customize your communication to each the best you can.

All good and bad NEWS about your firm should be communicated immediately and by phone or in person

- ▶ Monthly and quarterly reports by mail or electronic methods. Post on individual web sites with an email reminder to go look.
- ▶ Formal reporting meeting set by the client
- ▶ If they don't set meetings, request a meeting subject to board and staff time frames (Out of sight can be out of mind with the board)
- ▶ Host seminars and sessions at industry conferences
- ▶ Hold client conference with substantial educational content
- ▶ Conference calls with consultants and sponsors together
- ▶ Video conference calls with sponsor boards. Have you ever asked if your clients or key prospects have that capability available to them?
- ▶ Direct mail
- ▶ CDROMs with educational information featuring your people
- ▶ Emails to set up appointments and provide hyperlinks to information available on your web site
- ▶ Telephone calls. Before you call, write down what the message is you want to leave if you get their voice mail. Something succinct and clear so the message gets passed without using up the voice mail memory.
- ▶ Send or make available white papers on topics of educational value. Create media articles from the white papers to reinforce their value to the reader. Seeing the paper in an article soon after it is received gives it more authority.
- ▶ Remember personal dates in a non-intrusive manner
- ▶ Active participation in industry conferences. PREA, NCREIF, NAREIM. Becoming visible in the "industry" makes it easier to get media coverage.
- ▶ Mailing out cleverly devised and consistent marketing materials
- ▶ Short letters sent to prospects immediately after each visit, summarizing the call and providing some specific value-added information to the person you met along with your propaganda

Communication

- ▶ Regular contact at multiple levels: client, prospect, consultant, marketing person, portfolio manager and data analysts. Be certain to create relationships.
 - ▶ Deal cards sent on completion of each transaction
 - ▶ Check travel schedules of clients to see if they can meet with you on the road
 - ▶ Presentations based on client needs
 - ▶ Bumper stickers
 - ▶ WWW site with active solicitation of “hits”
 - ▶ Telephone is a richer communication tool than mail or email
 - ▶ Include spouses in communications
 - ▶ Entertainment
 - ▶ Client conferences
 - ▶ Information on transactions and activities
 - ▶ Free research
 - ▶ Contact level broadened to the 2nd and 3rd level
 - ▶ Care package for new clients explaining how the relationship will work
 - ▶ Know the client’s objectives for their entire plan
 - ▶ Sort information for the clients
 - ▶ Send summaries of information by email with links to detail
 - ▶ Match personal styles at various levels in your organization with various levels in the client’s organization
 - ▶ Present good, bad and ugly about what is happening with your firm. If something has gone wrong, explain what happened and why, and what you have learned so it won’t happen again.
 - ▶ Create individual client web sites
 - ▶ Send memorable holiday cards
- The key is to determine which of these things each of your client’s want/need and to create a system for delivering them. It is critical that you have a contact management system that is used by all members of your firm that touch clients, prospects, or consultants. Develop a set of communications that are appropriate for each type of client or prospect, and consultant and set them up on the contact manager or your calendaring system so someone within the firm can do fulfillment.
 - The most effective follow-up programs generally have enough materials, pieces or opportunities for 5 to 8 touches a year for clients and close to that same number for hot prospects.

Jim Blanchard, *Strategic Positioning*

Communication

- The bulletin board on our Intranet is configured so that the end user can directly post information to the site thus ensuring timely updates. When that information is submitted, a copy of that information is sent to two individuals responsible for verifying that the content is appropriate. The “bulletin board manager” cleans out the bulletin board manually as needed...otherwise, it is a self-running operation.

A good calendar program is essential. Our Communications department benefits from a program (Now Up-to-Date) which allows various individuals to input data and then print it out in numerous formats. For example, a straight list of jobs provides a job summary for staff meeting review. The calendar format simplifies coordination of vacations, upcoming meetings and the aforementioned jobs.

Birgitta Istock, *TCW Group*

- Consultants like to receive topical, non-promotional white papers from managers (e.g., market volatility; active versus passive; growth versus value). They share them with clients and leave the managers’ names on them, which is good advertising for the manager.

Mail hard copies of research and white papers (versus email).

Investment conference calls are helpful. Send cassettes to consultants who cannot participate; it makes their job easier.

Nanci Morris, *Callan Associates*

Written Materials

Firm Brochure

- Presentation books offer ground rules for new sales executives...an excellent case for support for a consistent message. However, allow senior executives to customize sections of the book with materials they prefer. A book can be preprinted and on the shelf for those rush occasions, but with more time on hand senior executives can add the tables and charts that suit their individual presentation styles. Those additional pages can be added right before the book gets bound. This approach works well for small asset managers and financial advisory firms who have trouble preparing books on the fly.

How to control copy length for the firm's brochure?

- The brochure establishes what you do, the level of expertise your firm offers and the types of clients who are your best fit
- Save how you manage assets for your presentation book
- Prepare a John Doe client service book using a simplified composite portfolio. No need to break it down by qualified and unqualified funds. Simplicity sells.
- Do not be afraid of color! The days of maroon, gray and navy blue are over. This may not convey a message of innovation and market leadership.

Margaret Patterson, *Margaret Patterson Company*

Presentations

- Lay your presentation out in page order on a conference table. Then look at the flow of the message. Often you will find a better way to order the pages to get a logical flow of ideas. You may also see pages that can be consolidated or eliminated. Finally, you can easily check for consistency of titles, layout, etc.

Dave Eager, *Eager Manager Advisory Services*

Clear Writing

- When editing, be ruthless!

Jackie Charnley, *Charnley & Røstvold, Inc.*

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