

Press Release:

Investit develops a new method for assessing the effectiveness of investment managers

Thursday 14 April, London. Investit has announced that it is developing a method for assessing the operational effectiveness of investment management firms.

“This method will provide our clients with the ability to assess the effectiveness of their firm’s operations”, said John Robertshaw, Director at Investit, “and increases the sophistication of the business assessment services available to investment managers”.

The assessment method is based on a model for an investment management business that Investit has developed using ten years’ worth of data collected from a large number of benchmarking and business assessment projects.

“We have developed a powerful understanding of what a successful investment management firm looks like based on ten years of data and research”, said Simon Stratford, Principal at Investit. “This has allowed us to define a number of key characteristics that can be used to assess the overall effectiveness of investment managers. We have found strong correlations between these characteristics and successful firms, and we have used this knowledge to create a model for a successful investment management business”.

In the Investit model, it is not size that matters or the type of business. “We can see very successful firms that are stock pickers, are index trackers, or run complex investment strategies; some are large global players, others are small boutiques”, said Stratford.

Investit’s pioneering work has demonstrated that the key to success is to match the operating platform with the business model. “Many investment managers have a mismatch; they are using an operating platform that is not appropriate for the book of business they are running. These managers are not delivering the level of profitability they should do and will continue to struggle unless they align the business model and the operating platform”, continued Robertshaw, who is leading a major project in the area of cost modeling and product profitability. This project, part of Investit’s Intelligence research service, will complete the development of the new assessment method by the end of June.

About Investit Limited

Investit was founded in 1998 and helps investment management firms to develop better products, win and keep clients, improve their operating platforms and increase their profitability.

We do this by:

- Investigating and interpreting where the industry is going to inform strategic thinking
- Assessing how well every aspect of a firm’s business is positioned to achieve its strategy
- Defining and delivering the changes needed by a firm for it to succeed with its business goals.

For more information, go to www.investit.com or please contact:
Simon Stratford +44 (0)20 7933 9907 simon.stratford@investit.com
www.investit.com