

Press Release:

*“Client focus is imperative and investment managers must actively work to enhance the client experience” concludes the latest Investit Intelligence Research.*

**Monday 14 February, London.** “Investment managers will need to transform themselves from product-centric to client-centric businesses if they are to survive” announced Peter Ellis, UK MD of Investit, as he opened the firm’s thirteenth bi-annual conference. The realisation that the ‘client is king’ is manifesting itself in many ways: a shift of emphasis away from manager-designed products to client-focused solutions; the emergent influence of third-party distribution channels; a recognition of the potential of social media; and the protective umbrella of regulation. All these are causing investment managers to adapt their approach to the holistic client experience.

In response to these challenges, managers will have to re-engineer their business model. “The old front, middle and back delineation is obsolete, incapable of supporting the new world order” said Ellis. Investit has defined a four component model that gives focused recognition to client centricity. Key to future success will be the distribution function. “Distribution needs to be re-engineered from a function that sells investment products that the manager can support, to one that sources the investment solutions that the clients need.”

In a highly competitive and increasingly intermediated marketplace, managers face the growing challenges of how best to access, deliver and service clients while maintaining profit levels. “This is prompting managers to fundamentally reassess their operating platforms and seek to design a smarter and more efficient future state model,” Ellis continued. “For example, social media is no longer the domain of teenagers; it provides new opportunities for servicing clients and communicating across professional networks. In a world where investment managers distribute through platforms, social media technology will play a key role in ensuring a level of direct engagement with end investors.”

From his research on the models for global funds distribution John Robertshaw, Director of Investit, endorsed Ellis’ findings but added “We are also seeing a geographic shift of emphasis as managers focus on their asset gathering potential globally, leveraging the opportunities provided by UCITS.” However, Robertshaw cautioned both on UCITS suitability for all investment purposes and clients, and that the trust engendered in the UCITS brand must be protected against an over-aggressive interpretation of the regulations.

These findings were supported by representatives from 23 firms at Investit’s conference, all of whom said that they were finding increasing pressure within their businesses to focus on client and distribution related activities. From their senior vantage point they also confirmed that there is increasing confidence within their firms as the industry continues its recovery from the global financial crisis.

## **About Investit Ltd**

Investit was founded in 1998 and provides consultancy, benchmarking, research and resourcing services to the investment management industry.

We help clients succeed by:

- Helping them develop their investment and distribution business strategy.
- Helping them build efficient and effective operational and system architectures.
- Thus enabling achievement of their business vision.

Investit Intelligence is a subscription-based research service exclusively for the investment management industry. Our detailed research services allow investment managers to improve their knowledge of the market and respond positively and profitably to change.

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