



THE CHALLENGE

- The firm's institutional business had grown rapidly over the preceding twenty years, mainly on the back of a good track record with balanced portfolios and specifically UK equities. However, any given fund manager might have responsibility for portfolios of widely differing sizes and risk profiles
- Fund Managers were expected to take responsibility for client relationship management and to be involved in marketing as well as running portfolios and undertaking investment research (very different skills sets)
- The firm's in-house custody and administration function lacked scale and hence cost-effectiveness in an increasingly complex market

OUR RESPONSE

- Taking into account both client and intermediary feedback, we created five distinct fund management teams, four of which served clients of differing sizes and one of which served clients with an above average risk appetite regardless of size
- We introduced a Middle Office function with individuals nominated to act as the point of contact for given clients on all non-investment issues. Client Relationship Managers were introduced to communicate with given clients regarding investment related issues, performance and policy
- We streamlined performance measurement and client reporting processes, resulting in over a 60% reduction in time taken to produce quarterly reporting packs
- We opened the in-house custody and administration operation to third parties in order to grow it to scale prior to selling it as a stand-alone business with terms for the parent company's clients protected (i.e. creating a profit centre out of what had been a cost centre)
- Working with team leaders and senior executives to cement the new operating model in place (internal and external communication and encouraging leaders to become more active in their leadership roles)
- Ensuring that performance evaluation and reward metrics were aligned with that operating model, were transparent and became trusted. This included the introduction of a new goal-setting and evaluation process focused on behaviours and results with aligned development opportunities where required



THE RESULTS

- Client satisfaction ratings rose significantly as reported both by clients themselves and by their advisers
- The firm gained a reputation as an innovator
- Fund managers reported lower stress levels as a result of being enabled to focus on investment performance and research
- Profitability increased on a number of different measures
- No clients were lost
- Staff turnover was reduced

