

National Accounts 2020: A Guide to Benchmarking, Budgets & Productivity

June 2020

As model portfolios packaged entirely by the asset manager rise in prevalence at broker/dealer platforms, the scope of a National Accounts Manager's job needs to expand as well.

Study Overview

The FUSE BenchMark Series is a comprehensive research service focused on benchmarking and optimization of resources within different functional areas of an asset management firm. Our BenchMarks are effectively support programs that combine market intelligence with a predefined methodology for self-assessment to produce a structured approach to the decision-making process of senior executives. FUSE provides upfront evaluations and ongoing monitoring to help ensure that business needs are met and objectives realized. The baseline research for the *National Accounts* study comes from a detailed survey and series of interviews with National Accounts Leaders. By comparing our latest data findings to prior surveys over the past several years, we are able to not only identify trends impacting National Accounts, but also forecast the direction asset managers need to take in order to remain competitive.

Benefits

This study will help Heads of Distribution, National Accounts Leaders, and distribution strategy pros improve productivity and effectiveness by providing the following:

- Organizational structures of the National Accounts function
- Best practices for selecting platform opportunities
- Compensation levels for various National Accounts roles
- Staffing data
- Type and frequency of platform interaction
- Time allocation by role
- Metrics to measure the effectiveness of National Accounts relationships
- Optimization of team interactions
- National Account budget details

Table of Contents

CHAPTER ONE
NATIONAL ACCOUNTS STAFFING TRENDS

CHAPTER TWO
NATIONAL ACCOUNTS BUDGET AND COMPENSATION TRENDS

CHAPTER THREE
NATIONAL ACCOUNTS TIME ALLOCATION

CHAPTER FOUR
PLATFORM EVALUATION AND SEGMENTATION

CHAPTER FIVE
OPTIMIZING INTERNAL TEAM INTERACTIONS

APPENDIX
NATIONAL ACCOUNTS ORGANIZATIONAL STRUCTURES

There are 55 exhibits in the study, including:

- National Accounts Budget by Firm Size
- Expected Change in Coverage by Channel
- Change in Interactions with Internal Groups
- How Firms Capture Platform Perspectives on National Accounts Staff, 2017 – 2020
- Targeted Product Recommendations

The Study Provides Answers to These Questions:

How should National Accounts be best deployed amid dechannelization?

How do our components of compensation and levels of compensation compare to industry peers?

What criteria is most effective to measure National Accounts performance?

What additional factors need to be taken into consideration regarding platform selection decisions?

How are asset managers actually measuring the home office influence?

How do National Accounts teams engage with centers of influence to help positively impact an asset management firm?

... and many more that are crucial to the overall success of your National Accounts efforts.

TIER 1 GROSS SALES AND AUM

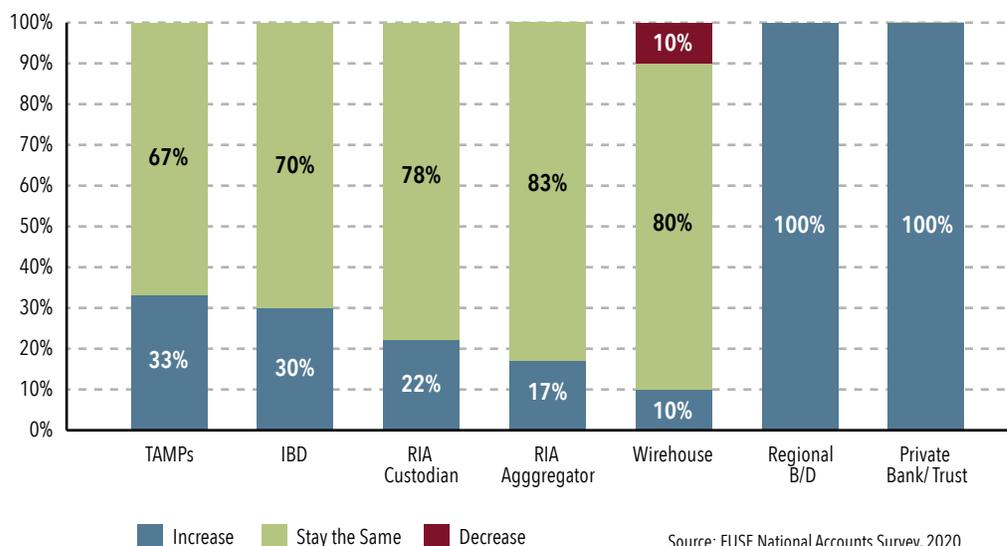
Focus/Tier 1 firms account for 74% of gross sales as well as AUM among our surveyed asset managers. On a per partner basis, the average Tier 1 firm generates 7.0% of its gross sales and 6.9% of its AUM.

Study Excerpt on Channel Coverage

Although National Accounts groups dedicated the largest percentage of their time to the wirehouse channel, turnkey asset management programs (TAMPs) are expected to see the greatest increase (33%) in coverage by National Accounts moving forward. Independent broker/dealers (IBDs) will also experience an uptick in attention from National Accounts groups with 30% of firms growing their efforts. Although RIA custodians and RIA aggregators will not see as much interest as TAMPs and IBDs, they are expected to have increased interest from 22% and 17%, respectively.

TAMPs are an emerging opportunity for National Accounts groups since there has been a growing interest in packaged model portfolios offered on these platforms. Previously the primary models available on these platforms were proprietary offerings, but with more third-party asset managers delivering their own models, this is changing. The interesting aspect of TAMPs from a National Accounts perspective is that there are two very distinct types of sales. The first is to try to get a standalone product into one of the proprietary models at a TAMP, which is how National Accounts teams have operated for years. The second type of sale is for a National Accounts Manager to get their own fully packaged model from their own firm onto the TAMPs platform. This likely creates a challenge as there may be two separate groups covering these two types of sales. National Accounts teams can position themselves for success by understanding the needs of the TAMP (as well as other channels) and then working with product to help build models that will solve these needs.

Exhibit – Expected Change in Coverage by Channel



Service & Pricing

FUSE's mission is to deliver actionable, practical recommendations that are customized to each client's business situation. Our BenchMark series studies are far more than a "data dump" of statistics and general trends.

When you purchase a BenchMark series study, FUSE will provide ongoing support and periodic updates to help ensure that our research will have a longer shelf life than similar studies available in the marketplace.

About FUSE Research Network, LLC

FUSE Research Network was launched with the view that research and consulting support for asset managers has failed to evolve with the changing needs of the client. The competitive environment today demands that clients make important business decisions within shorter and shorter time frames.

In order to support clients in this setting, FUSE provides a dynamic research platform that covers our clients' current and future decision areas (strategic and tactical). Our goal is to become an invaluable business partner through the delivery of highly informed and forward-looking recommendations that are among the critical inputs our clients need to optimize results.

FOR MORE
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