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Inst'l Marketers Understaffed, Unloved

By Michael Shagrin November 20, 2013

This is the third article in a four-part series on the issues impacting institutional manager marketing professionals.

Institutional marketing teams are lacking staff and are going largely unappreciated, according to a *FundFire* survey, as asset managers gain assets and launch new strategies but overlook the need for support staff.

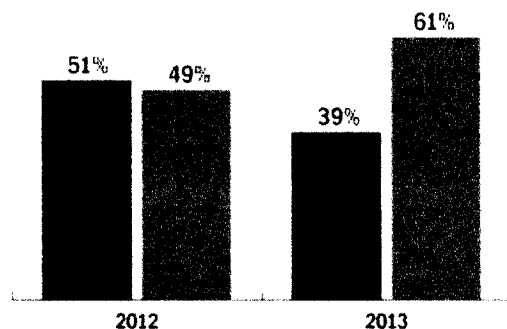
This is among the findings of a 10-question *FundFire* survey of institutional marketing professionals. The anonymous survey polled 71 marketers from 48 firms about the issues affecting their jobs and the industry. *FundFire* conducted a similar survey in 2012.

Institutional marketers say they are not given enough resources to succeed and the problem, as perceived by marketing teams, is getting worse. This year just 39% of those surveyed by *FundFire* said their marketing team's staffing levels were either adequate or better, while 61% thought their departments were understaffed.

This compares to last year, when 51% said they had adequate or better staffing, and 49% said they were understaffed.

Is your existing staff capable of effectively meeting your firm's marketing needs?

■ Adequately staffed or better ■ Understaffed



When asked to rate the severity of a dozen challenges facing institutional marketers, “inadequate resources and staffing” was considered the most severe in both 2012 and 2013, though to a larger degree this year.

While executives know that their marketing staff are dealing with a workload problem, they cannot help but think it is a good problem to have, experts say.

In general, business is picking up for asset managers of all stripes after a post-crisis slump. However, marketers are well aware that the industry’s recovery is not bringing with it new hires for stretched support staff, even as assets under management rise.

One anonymous survey respondent, an institutional marketer at a large investment management firm, feels marketing teams are bearing the brunt of this trend. “With the growing demand for digital strategies, broader investment offerings, targeted marketing tactics and campaigns... sales and management are demanding more [from marketing] with the same staff [and] resources,” she said in the survey.

Despite seeing more business, asset management executives are frugally adding staff with marketers being seen as a luxury, according to **Jamie Ziegler**, co-founder and partner at AUM Partners, a human resources consultancy for the asset management industry.

“They see the business cycles and don’t want to overstaff,” she says. Hiring has not come to a complete halt, however. “When firms finally say, ‘OK, we’ll hire,’ they’ll bring in new senior business people.”

Firms are primarily hiring for positions that directly impact assets under management, such as institutional sales or consultant relations roles, while declining to fund non-client facing positions, such as marketing or technology, agrees **Frank Carr**, managing director of recruiting firm MJE Advisors.

“We’ve seen firms that have been hesitant to hire employees who aren’t direct revenue producers,” Carr says.

The influx of sales talent and executive level hires, along with the clients and prospects that accompany them, only exacerbate the challenges facing the marketing teams as they are asked to accomplish more with the same level of resources.

“When a firm brings in a huge heavy hitter, that person is going to produce a ton of work for their support,” Ziegler says. “This has led to higher levels of burnout among the [support] staff.”

One respondent from the asset management arm of a global financial services company attributes the problems facing marketers to a lack of “senior management recognition and support for [marketing’s] necessity in institutional asset management.”

And as firms experience inflows, they are emboldened to launch new products and ideas, all of which marketers must incorporate into the firm’s branding strategies.

“Current marketing staff can handle updates to their regular products and then communications with investors,” Carr says. “But when a brand new product is thrown on top of all that, they have writing, editing, getting compliance approval. It just ends up being a big extra burden on the staff.”

This excess workload has a knock-on effect on turnover in junior marketing positions, which creates headaches for those in more senior roles. It is a phenomenon Ziegler is seeing with greater frequency. Unsurprisingly, the institutional marketers who were most likely to lament their firm’s staffing issues in the survey’s comment sections were the marketing managers.

Turnover is not just hitting junior staff, as marketers jump to asset managers with relatively larger marketing outfits or those with better compensation packages, according to Ziegler.

Traditional asset managers also have to contend with growing demand from alternatives shops. Many institutional marketers at traditional firms have found their way to asset managers specializing in alternatives investments.

“There has been a tremendous net demand for talent [moving] from traditional funds to hedge funds,” says **Jacob Navon**, partner at recruiting firm Westwood Partners.

Having fared poorly during the financial crisis, alternative asset managers, such as hedge funds, have turned toward marketing and branding efforts that were once entirely the domain of long-only asset managers. Since the start of 2011, Westwood’s tracking system documented a monthly average of three marketers and related support staff moving from the traditional fund world to the alternative space. The data reveals between one and two monthly moves in the opposite direction.

“Clients woke up after the crisis thinking one of the reasons their clients are willing to bolt is that they had no relationship,” says Navon. “Hedge funds have gone looking for staff in the long-only world, and it’s actually accelerated.”

Click [here](#) to read the first article of the series and [here](#) for the second article. Tomorrow’s edition of FundFire will feature the final segment of the series.

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