

# Sales Management 2017

December 2017

## ON STAFFING

The trend away from channelization continues, with nearly half (47%) of field wholesalers now categorized as cross-channel, up from less than 30% in 2015.

## 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 pre-defined 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 *Sales Management* study comes from a detailed survey and series of interviews with senior sales/distribution executives.

## Benefits

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

- Size and hiring plans of distribution organization
- Sales budget allocations and efficiency
- Wholesaler compensation metrics by firm size
- Time allocation and wholesaler meeting metrics
- Territory and advisor segmentation strategies
- Recommendations and insight on the most important topics impacting fund distribution today

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### There are nearly 60 exhibits in the study including:

- Importance of Criteria when Segmenting Advisors, 2014-2017
- Average Ratio of External to Internal Wholesalers by Tier
- Importance of Criteria When Determining Regions/Territories
- Average Sales Budget Allocations by Tier

### The Study Provides Answers to These Questions:

*Is your firm properly staffed given your current distribution objectives and priorities?*

*Is your firm's sales budget being utilized efficiently?*

*How can firms encourage wholesalers to exhibit desired behaviors?*

*What are the latest trends in distribution structure, compensation, head count, segmentation, and sales process?*

**... and many more that are crucial to the overall success of your Distribution efforts.**

#### ON COMPENSATION

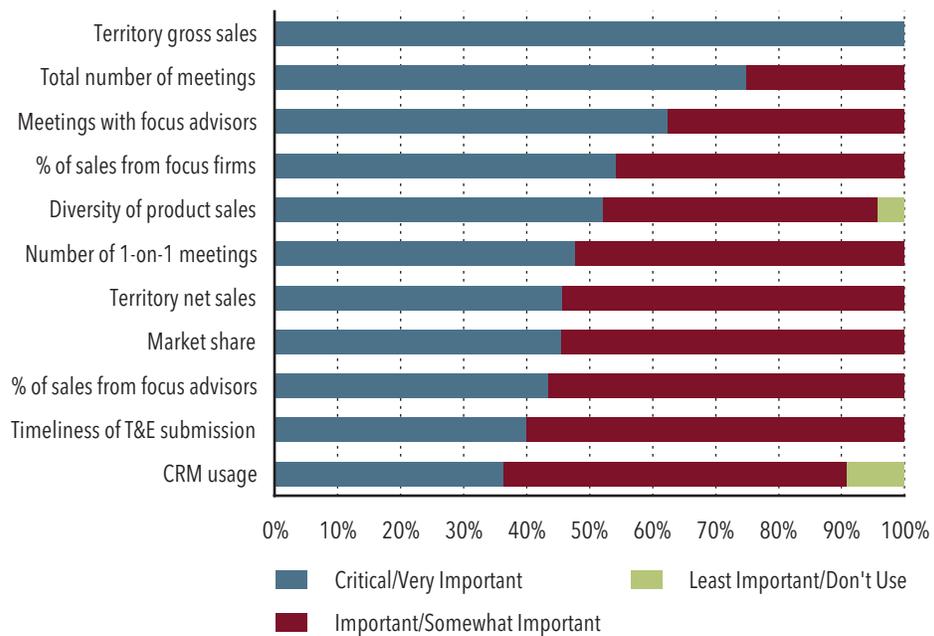
Nearly two-thirds of the average Tier 1 field wholesaler's compensation is commissions, a figure that declines to just under half for the average Tier 3 field wholesaler, who earns one-quarter of their compensation through a discretionary bonus, versus less than 15% for Tiers 1 and 2.

## Study Excerpt on Measuring Wholesaler Performance

The increased importance of market share as a performance criterion suggests that firms are looking more closely at how much their wholesalers are gaining or losing relative to competitors. Depending on the environment, gross sales is not necessarily an optimal metric against which to evaluate performance. For instance, even if gross sales are down, a wholesaler could be outselling peers in a particular asset class and gaining market share.

Meanwhile, the growing importance of sales through focus advisors and territory net sales also indicates that firms are placing greater emphasis on other behaviors that aren't captured in gross sales. For instance, percentage of sales through focus advisors provides an indication of whether the wholesaler is pursuing the relationships that the firm has identified as offering the greatest opportunity while territory net sales is a reflection of the wholesaler's attention to stemming redemptions.

### Exhibit – Importance of Criteria when Measuring Wholesaler Performance



Source: FUSE Sales Management Survey, 2017



## 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. Contact us for more information on our service and support model for the study and pricing details.

## 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 future competitive environment will demand 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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