

Product Management and Development 2022

October 2022

STAFF CHANGES

The product group may be among the least vulnerable areas to significant layoffs, as firms are unlikely to pause product initiatives that are key to future growth strategies.

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 *Product Management & Development 2022* study comes from a detailed survey and series of interviews with senior product executives. By comparing our latest data findings to prior surveys over the past several years, we are able to not only identify trends impacting product, but also forecast the direction asset managers need to take in order to remain competitive.

Benefits

This study will help Product Leaders, Heads of Product Management and Product Development, Senior Product Managers, and other product executives evaluate their teams, consider best practices, and optimize resources by providing the following:

- Staffing and compensation metrics
- Productivity measures
- Outlook on product development initiatives, particularly within the model portfolio space
- Product launches and rationalizations
- Recommendations and insights on the most important topics impacting product strategy today

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PRODUCT DEVELOPMENT FOCUS

For the second year in a row, most surveyed firms are thinking of structuring their new product as an active ETF. Among advisors, 46% reported plans to increase usage of active ETFs.

There are nearly 50 exhibits in the study, including:

- Product Group Breakdown: Product vs. Investment Discipline
- Size of Product Budgets (excludes FTEs), 2017-2022
- Plans for New Products in Next 12 Months by Asset Class, 2017-2022
- Importance of Criteria When Determining Bonus by Firm Tier
- Plans to Include Unaffiliated Managers in Model Portfolios over Next Two Years

The Study Provides Answers to These Questions:

Given the current challenging market conditions, how can firms ensure the best opportunity for success?

What are the average allocations of compensation components for each role within the product group?

How can firms develop a collaborative approach to solicit and vet product ideas from internal and external sources?

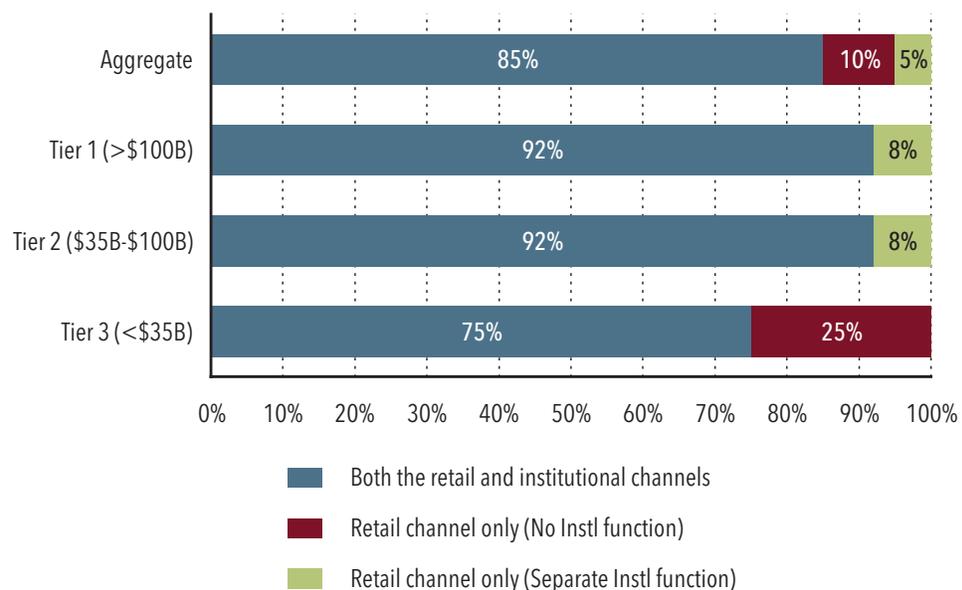
Where is product innovation taking place and why?

... and many more that are critical to the overall success of your product initiatives.

Study Excerpt on Channel Coverage

At the vast majority of firms of all sizes, the product group covers both retail and institutional products, a consistent trend over the last several years. Institutions have historically had more asset classes and product structures available to them than retail investors. However, in an ongoing trend, retail investors and the advisors who serve them are seeking greater choice and customization. The result has been a blurring line between what represents a retail versus an institutional product. This can be seen in the growing adoption by retail investors of several product structures (i.e., SMAs, model portfolios, interval funds, etc.), as well as asset classes, most notably alternative strategies that were previously the exclusive domain of institutions and high-net-worth investors. In fact, much of the focus of product groups in recent years has been on how to make formerly inaccessible strategies available to the retail market at lower minimums and for a reasonable cost.

Exhibit: Product Group Channel Coverage



Source: FUSE Product Survey, 2022



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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