

Sales Management 2023

December 2023

NUMBER OF EXTERNALS

Surveyed firms employ approximately 30 external wholesalers. Significant disparities in the number of externals across tiers highlight the distribution advantage larger firms hold over their smaller peers.

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 Sales Management study comes from a detailed survey and ongoing conversations with senior sales/distribution executives. By comparing our latest data findings to prior surveys over the past several years, we are able to not only identify trends impacting distribution, but also forecast the direction asset managers need to take in order to remain competitive.

Benefits

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

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

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MEASURING WHOLESALE PERFORMANCE

Measuring wholesalers is an evolving process. Certain fundamental criteria will always be important: territory gross sales, meetings with focus advisors, and percent of sales with focus advisors.

There are nearly 60 exhibits in the study, including:

- Average Wholesaler Compensation (External, Internal, Hybrid, National Sales Manager, and Internal Sales Desk Manager)
- Total Revenue Sharing per Year, 2018–2023
- Sales Coverage of Select Channels
- Most Important Areas for Wholesaler Improvement
- Driving Factors for Working with Top Three Wholesalers on an Ongoing Basis

The Study Provides Answers to These Questions:

Are firms adequately compensating the sales force to account for near-term shifts in sales/redemptions within product lineups?

How are asset managers adapting to the fluctuating needs of distribution firms and advisors?

With the ability to conduct sales virtually, are asset managers evolving their wholesaler models to keep pace?

What improvements do wholesalers need to make to better connect with advisors?

What are the latest trends and best practices in hiring, relationship management, and training?

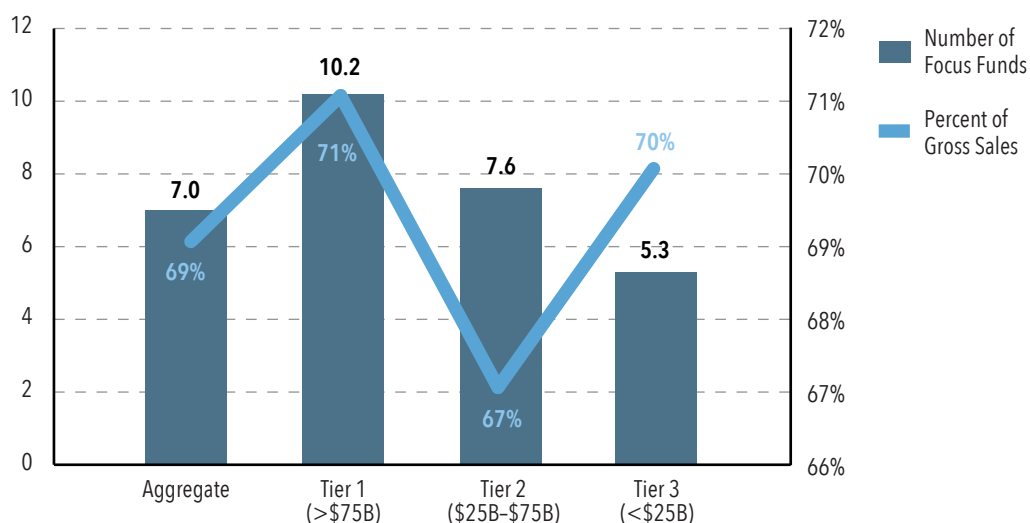
... and many more that are critical to the overall success of your sales initiatives.

Study Excerpt on Focus Funds and Percent of Gross Sales by Tier

The volume of focus funds decreased for Tier 1 in the last year, dropping from 13.3 in 2022 to 10.2 in 2023. For Tier 2 and Tier 3, focus funds decreased marginally year-over-year. The percentage of gross sales driven by focus products stayed consistent year-over-year.

Overall, firm size influences the number of focus products. Intuitively, this makes sense since larger organizations have more resources and a greater volume of products. This allows these firms an opportunity to broaden the focus list; however, it is essential to maintain a manageable list. There are inherent challenges of having too many focus products: inconsistent messaging, sales lacking a deep understanding of the product(s), ineffective advisor touches, etc. More focus products—even saleable strategies—will not produce improved results. In fact, it may inhibit the effectiveness of the sales team.

Exhibit – Focus Funds and Percent of Gross Sales by Tier



Source: FUSE Sales Management Survey, 2023



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 was launched in 2008 to deliver tactical decision support that improves the effectiveness of the sales, national accounts, marketing, and product functions at investment management firms. To deliver on its unique value proposition, FUSE has built a decision support team that is unparalleled in its ability to deliver practical and actionable guidance in response to client challenges. By carefully cultivating a network of industry contacts from all facets of the business, FUSE is able to deliver solutions that go well beyond traditional business intelligence offerings.

FOR MORE
INFORMATION
CONTACT:

Jason Heinhorst

720-221-5223

jheinhorst@

fuse-research.com