



Benjamin Auctus

**White Paper**

# How investment firms attract and retain top industry stakeholders in a revolution of digital accessibility

**Edition of 2022**

*The steps to longevity and growth through transparency, digital accessibility, and visibility via stakeholder engagement, selection, and retention.*



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# Introduction

Over the last few years, the business landscape has changed dramatically due to widespread adoption of new digital technologies, regulatory adjustments, and shifting societal attitudes regarding human-business relations. As a result, business leaders of investment firms around the world are finding it difficult to determine how to attract and retain top industry stakeholders. Top industry stakeholders include your investor participations, investment portfolio relations, relevant communities you impact, clients, suppliers, and everyone else involved in the operations of your organization, such as employees and contractors.

While large public investment firms such as Blackrock, JP Morgan, and Ark Invest are implementing the most effective marketing and communications strategies, smaller or private investment firms are being left behind, for reasons ranging from legal risk management through to a lack of knowledge and resources.

In this white paper, we examine the latest industry trends and research, as well as the perspectives of prominent industry thought-leaders, demonstrating your options and enabling data-driven decisions, regardless of how your firm is structured or what licenses you possess.

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# The ideal positioning to attract top industry stakeholders

First, let's focus on the ideal positioning for an investment firm. We mentioned previously that large public investment firms such as Blackrock, JP Morgan, and Ark Invest all employ highly effective marketing and communication methods. They have modern websites, a comprehensive content distribution strategy, a strong social media presence, organize events, and regularly appear in the media with press releases about their achievements. We'll cover the strategies they are employing and how these same strategies can be used by any investment company in this chapter.

## Marketing within legal limitations

A common misconception among leaders of investment firms is that they are not permitted to publicly represent their business. This is incorrect. Typically there are regulatory restrictions that vary based on your legal jurisdiction, however, that is not to say you are unable to manage your publicity. In the major investment markets you are not allowed to solicit investment offers, but there is no legislation that prevents you from inspiring and educating your target stakeholders about subjects that interest them. Fortunately, this is also the most effective way to attract the top industry stakeholders regardless.

A good example is Ray Dalio's best-selling book 'Principles', where he shared his lessons on both professional and personal life success. No where in the book is he soliciting investment offers, but having sold over a million copies worldwide, it has been an incredible asset for attracting top industry stakeholders into his investment firm BridgeWater Associates.



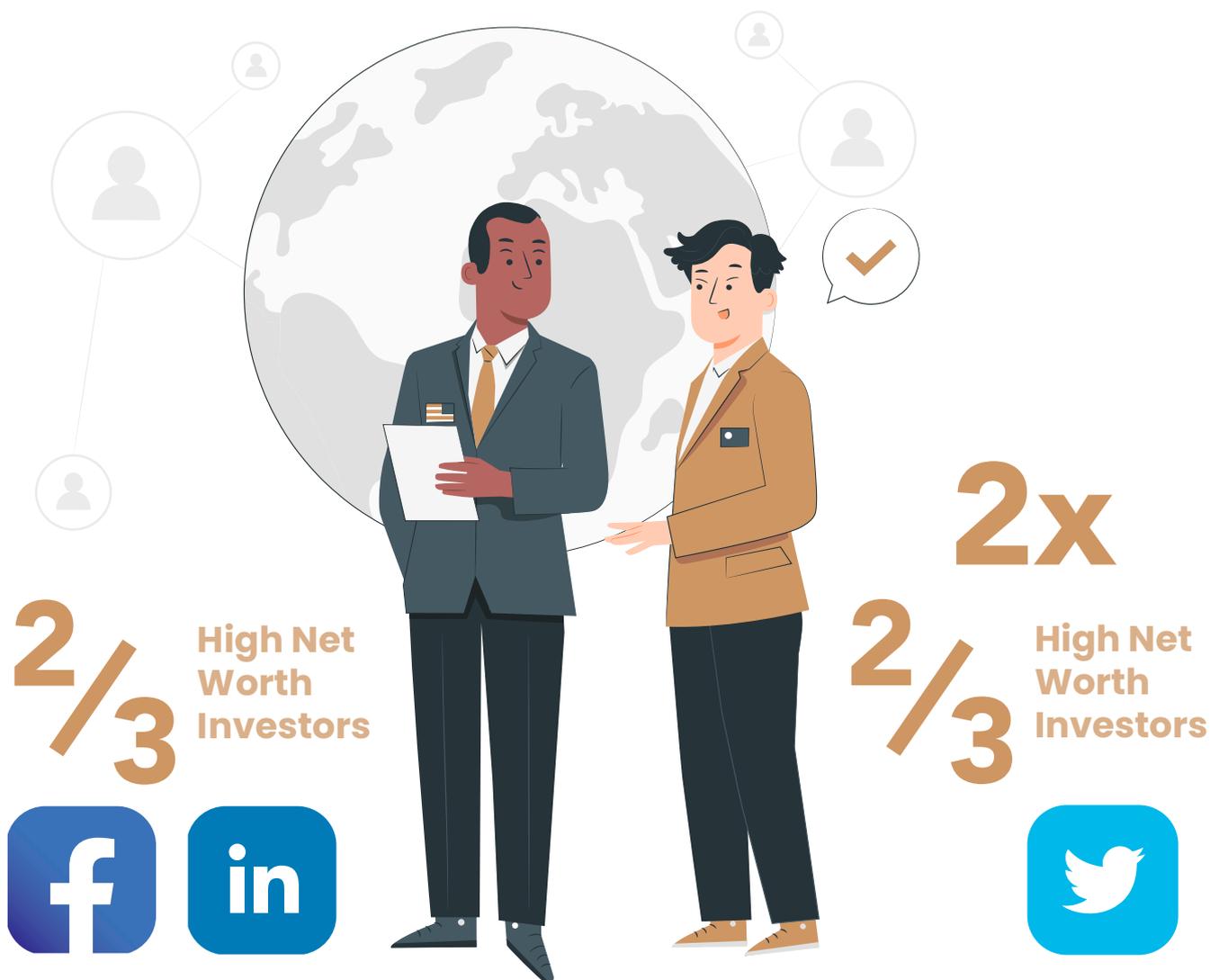
Another great example is the magazine [Accredited IQ](#), established by Brian Ellis. The magazine is a value bomb of unique industry insights, investment opportunities, private interviews, and other valuable content targetted at accredited investors. Aside from publishing the magazine, Brian participates actively as a real estate investment broker and recruits investors through the magazine. Listen to this [podcast interview](#) where Brian explains how he attracts new investors using his magazine.



## The importance of having an online presence

Besides having a marketing vehicle such as a book, magazine, or any other educational platform, it's critical for potential stakeholders to be able to learn more about an investment firm online. Therefore, it is important to have a neat website with basic information and contact details, as well as a LinkedIn profile where potential stakeholders can find information about the executive team behind the investment firm.

A frequent misunderstanding in the investment management sector is that high-net-worth investors are inactive on social media. This misconception is debunked by a [study](#) of LinkedIn, which found that two-thirds of high-net-worth investors log on to LinkedIn at least once a month and are 75 percent more likely to invest in municipal bonds, ETFs, US government obligations, and employee sponsored retirement plans than nonusers of social media. This data demonstrates that social media is not only an effective tool for attracting investors, but also that it should be a core component of every investment firm's strategy.



# Stakeholder loyalty: the key to long-term retention

Stakeholder loyalty is an essential business aspect because it can significantly impact the bottom line and is generally easier to influence than many other parts of the business. For example, if you have gone to great lengths to hire excellent analysts and investment managers, you want them to stay with you, because recruitment costs can be high and operations can come to a standstill when someone leaves the firm.

Another example we can take is from one of the most successful investment firms, VanGuard. When Jack Brennan took over as CEO in 1996, VanGuard's flagship S&P 500 Index Fund costs were just 0.20% of assets. By 1999, they had declined to 0.18% which was a 10% improvement. One of the reasons is that Brennan was disciplined in rejecting investors that had a history of excessive churn behavior.

In this chapter, we offer you some useful suggestions that can help you increase client loyalty to boost your bottom line.

## Improve company reputation

Establishing a solid reputation as an investment firm is an important factor in increasing stakeholder loyalty, because stake stakeholders will assess the reputation of the firm and its executives to determine whether they want to be associated. According to a German researcher's [research](#), 12% of investor loyalty is driven by their opinion of a corporation's reputation. In this [interview](#) with Marte Borghaugh, the Global Head of Sustainable Outcomes for Aviva Investors, she explains why investors care so much about reputation - they want to know how a firm will react to different risks and challenges in order to protect its long-term profitability.



Most investment firms have at least a few impressive achievements every year, but few investment firms are publishing those achievements. Through relationship building with relevant journalists and media channels you can have some of those achievements published, often journalists are interested to have an additional interview which further improves the reputation of the firm. If you don't have the time or resources to build media relationships, you can always share the achievements on social media pages such as LinkedIn. You would be surprised how many people you can reach through social media!

## **Integrate feedback routines into your processes**

Obtaining various viewpoints on your performances and the way you deal with different circumstances as a business is an important factor in boosting stakeholder loyalty. Whether it regards your employees, investors or the portfolio start-ups you work with, a lack of loyalty is both costly and directly affects the bottom-line.

We recommend documenting all survey and feedback processes and organize them into routines to ensure an effective and consistent implementation. We have prepared a few tips that you can use immediately.

- Create multiple surveys and tailor them to relevant people with as much details as possible. Surveys that are kept general often don't provide the necessary depth to acquire practical feedback.
- Gaining feedback does not always have to be an entire operation in itself, feedback can easily be incorporated during other operations and spread over a longer period of time.
- Use a healthy balance between requesting both positive and negative feedback. Both are important to know what needs to be improved and what to continue with!
- Make sure to ask enough people for feedback, because everyone has different experiences, and asking just a handful of people will result in unreliable conclusions.
- Reward your stakeholders for providing feedback, for example, you can give a present in exchange for their valuable time.

## **Reallocate marketing investments to clientele**

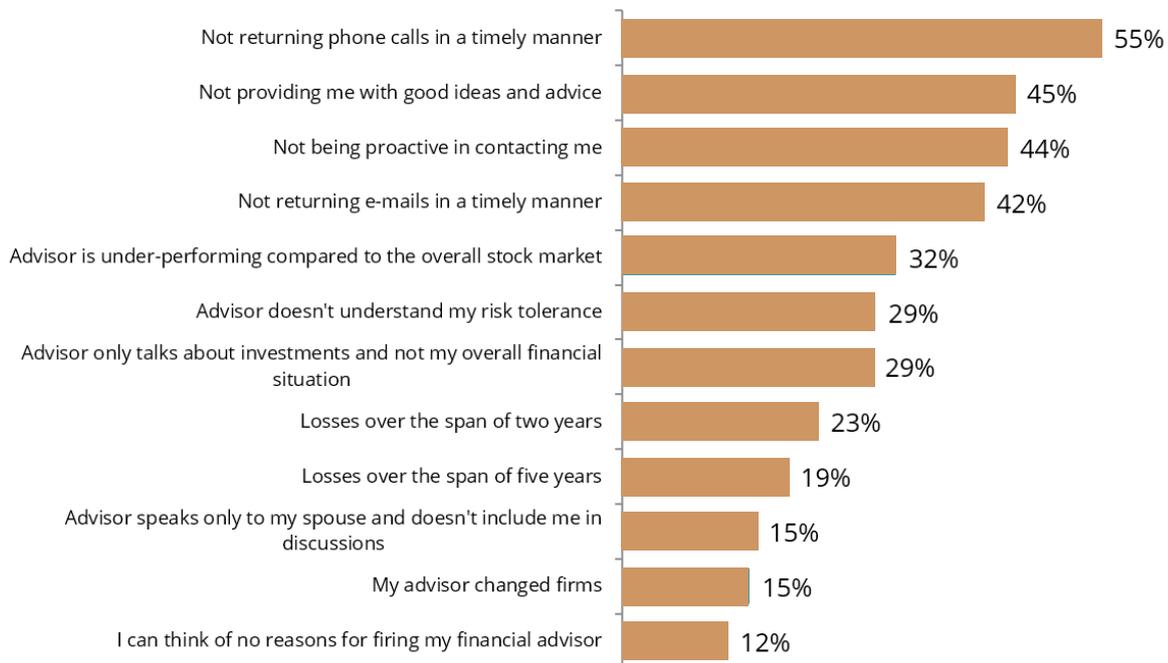
In many sectors, a significant amount of money is spent on marketing in order to attract new stakeholders, but this isn't always the most effective strategy when it comes to markets that serve high-net-worth individuals such as investment management.

Matt discusses this in his [book](#) 'The Art of Selling to the Affluent'. He claims that it is difficult to locate and attract high-net-worth individuals, therefore marketing budgets should be spent on current clientele. As a result, current clients are more likely to purchase additional services and are also more inclined to provide referrals if they are pleased with the service and have a positive connection with the firm. Examples of marketing activities directed to the current client base are organizing events, supplying industry reports, internal software updates for more efficient communication, and a customer loyalty program.

## Understand your clients' communication needs

Leaders of investment firms often believe that providing outstanding investment returns is the key to client retention, but according to a [survey](#) done by The Spectrem Group, this may not be the case. The survey found that the primary reason high-net-worth investors leave their financial advisor has to do with telephone communication, in the survey 55% of high-net-worth investors stated that they would leave their financial advisor when calls are not answered within a reasonable time frame. The second reason, which accounts for 46% of responses, is a lack of strategic guidance, and then the third reason, accounting for 44% of responses, is a lack of proactive communication from financial advisors.

### Which of the Following Would Cause You to Change Financial Advisors? – Millionaires By Total



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With this background, you should review all communication processes in your firm. We recommend that all communication procedures in your firm are documented and organized into routines to eliminate the possibility of any accidental neglect.

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# The practical implementation of marketing and communications

## Crucial processes for stakeholder engagement

The following processes are effective in attracting and retaining all sorts of stakeholders. Whether you're looking to fill your next rockstar analyst position or strengthen your relationships with investors to ensure that they keep investing in your fund. These strategies are safe to use, because it does not include any direct solicitation that may be against applicable regulations.

### Company positioning

The aim of positioning is to make it easy for interested parties to find out about your company on their own. A website, social media presence, well-filled LinkedIn profiles of the management team, and findability in search engines and relevant business listings are all essential components of a solid positioning.

### Content development

Nothing is more appealing to stakeholders than investment firms that offer them educational and inspirational content. We advocate producing white papers and using them as a foundation for micro-content such as articles, industry reports, stories, infographics, social media posts, webinars, and ebooks.

### Content distribution

You must distribute the created content in order for it to attract your targeted stakeholders. We recommend that you actively share the content on social media and establish connections with relevant journalists so that it may be published elsewhere. You can also have the content distributed through sponsorship if applicable regulations for your country and company structure allow it.

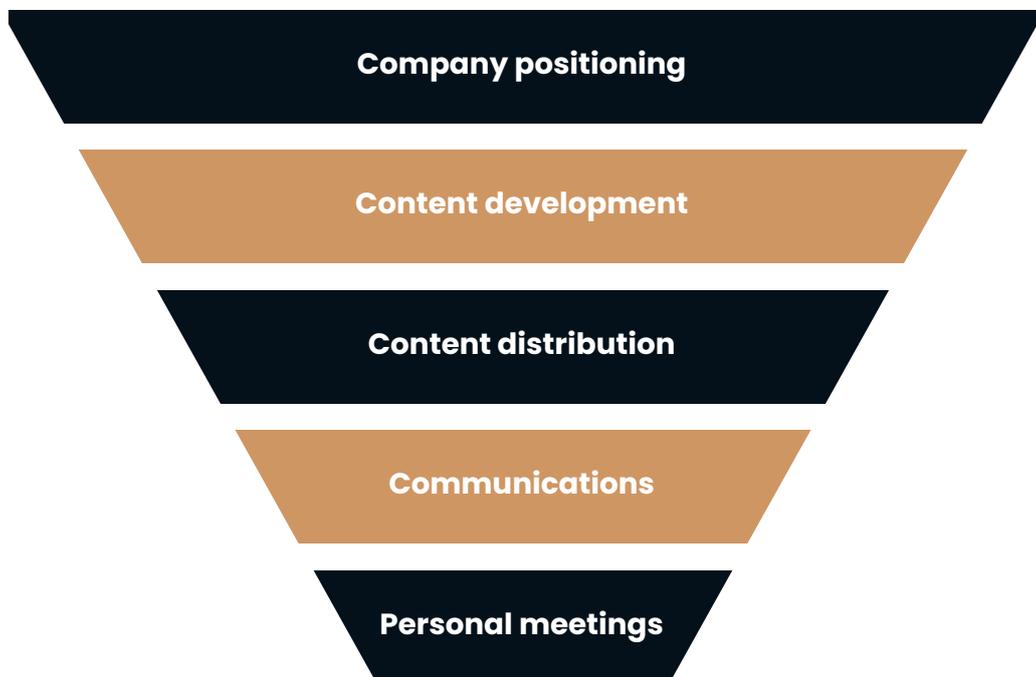
### **Communications**

When initial contacts with the stakeholders have been made, it's important to communicate with them in a way that keeps them engaged. In general, the subjects you've created at the developed stage are provided and processed in more detail here. This may be achieved with an email newsletter, organizing an event, or hosting a webinar through the internet.

### **Personal meetings**

Of course, there is nothing better than personal interaction between people. We advocate making face-to-face meetings with all of your stakeholders as much as your agenda allows. If a personal meeting isn't an option, hold a video meeting or have a phone conversation instead.

## **Stages of the marketing funnel**



## The ideal team structure

Getting an effective marketing strategy up and running is quite a challenge for many leaders in the investment industry. You'll need someone who knows the capital market, understands the marketing regulations, is good at catchy communication, can run marketing campaigns, and is sociable since the investment business relies on relationship management to a significant extent. When owners or investment managers attempt to undertake all of the marketing and communications activities themselves, marketing campaigns are often underperforming, and results are lacking due to inconsistency.

When a firm has only a few employees, hiring marketing experts is frequently not feasible or effective. This can cause problems for the workers as there is no structure to properly assist them in their duties. We advocate recruiting a senior marketing manager with experience in the capital market as a partner in this situation. For investment firms that are considered a small business, it's advisable to hire a senior marketing manager with experience in the capital market and have them develop their own plan. The manager will probably need help internally as well as contractors to execute the strategy. Large investment firms should establish a marketing department with an experienced senior manager in control who reports to the C-suite. We propose employing a communications manager, marketing manager, and designer for this team. Furthermore, a legal expert is required to guarantee that the campaigns are in line with all regulations; therefore, a part-time law firm or legal professional is required.

Another option is hiring a marketing and communications agency, but many of them are unfamiliar with investment management and are unable to develop effective strategies tailored to the capital market. If you engage an agency, make sure they have the ability to learn about new markets as well as a diverse skill set to test a wide range of strategies. If you're able to find a suitable agency, this can be an excellent alternative for creating an in-house team.



## Crucial components of the technical infrastructure

The adoption of software solutions is inevitable in today's business environment. There are a variety of applications for various areas of the organization, as well as marketing and communications. Certain processes may be significantly reduced in labor intensity by using the appropriate software. In this chapter, we'll discuss some of the most essential software solutions for attracting and retaining top industry stakeholders in the investment industry.

### CRM (customer relationship management)

You've most likely heard the term "CRM," which stands for Customer Relationship Management software. A CRM is a sophisticated spreadsheet that allows you to keep track of your contacts and integrate other applications like email and phone calls to keep a neat administration when managing your business relationships.

### Email automation

What if you had an email software solution that would allow you to send an email to all of your customers at once, and it would automatically utilize the correct information such as their first name and company name? This can be accomplished with email automation. This solution may also be used to generate automated email sequences that turn off when a contact responds.

### Investor portal

In the world of business, personal contact is highly appreciated, but as more investors join your firm, it becomes increasingly difficult to provide each of them with the attention they need. To view the status of their investments, investors may use a portal that you create on the backend of your website. A less complicated portal is simple to establish and does not have to cost much to be effective, yet it has a significant impact on your investors' experience.

### Robotics automation

Are there specific activities in your business that are always the same, such as entering data or processing documentations? With a robotics solution, you may automate these procedures, which are essentially programmed computer softwares that perform the tasks for you.

### Website Analytics

The identity of your website's visitors may be determined through web analytics, which are applications that give you insight into how many people have visited your website, what activities they perform on the site, and in some cases even who they are. You can improve your marketing strategy by utilizing this data.

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Benjamin Auctus

## About us

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At Benjamin Auctus we are a full-service marketing and communications agency that investment firms can rely on to open new market opportunities and drive long-term growth. We are a small team of commercial experts specializing in strategic commercial consulting, with the in-house talent to carry out the implementation. We believe that investment firms are strong drivers of innovation and stimulate prosperity in all areas of our society.

For more information visit [benjaminauctus.com](https://benjaminauctus.com)

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