

Intelligence led Advisory to Selling in the Nordic Region

Stockholm (HedgeNordic) - Gaining actionable intelligence on the Nordic buy-side community has over the years become an increasing bottleneck for most types of asset managers. The challenge exists across the range from early stage fund managers to the most seasoned companies in the industry. Whereas many managers have relevant value propositions within or across different types of asset classes, investors' preference for low cost solutions and/or in-house management have curbed opportunities for promoting capabilities to these investors in recent years. As a consequence, demands from the institutional investor community have changed, and the asset management industry as a whole has had to rethink its approach on how to be relevant for institutional investors. This is true for creating air time to promote core investment capabilities, and even more importantly, in terms of winning new business from institutional investors.



Jan Willers, COO at Kirstein

In order to help asset managers overcome these challenges, Copenhagen based Kirstein has since 2003 exclusively focused on tailoring consulting solutions to international asset management firms to whom the Nordic region has been set as a strategic market to grow an institutional client base. "Based on an established Nordic network of more than 150 institutions and more than 500 key decision makers, Kirstein has over the years sought to uncover not only trends and tendencies regarding asset flows, search activities, and addressable assets to external managers, but also to better understand the underlying dynamics of institutional investors' decision making and preferences for external managers," says Jan Willers, Kirstein's COO. Kirstein's network not only taps into the largest asset owners in the Nordic Tier I (pension and insurance companies), but also the largest and most sophisticated investors in Tier II (endowments, foundations, companies and family offices). A key source of information comes in form of quantitative proprietary data, but even more importantly also via on-site interviews with the asset owners. During these meetings, Kirstein tests hypotheses regarding the direction of the markets as well as seeks insights into what it takes to become relevant within the Nordic institutional segment. Segmentation of interviews is a crucial act in order to obtain the most relevant information.

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Therefore, strategic conversations regarding topics such as merger appetite, regulatory challenges, and the evolution of sustainable investment profiles are reserved for C-suite Executives, whereas more operational conversations regarding manager preferences and implementation of new asset classes are linked to portfolio managers, manager selectors, and other types of specialists within the organisations. Going back to the research, the quantitative foundation of the alternative research

revolves around areas such as investors current and target allocations to real estate, private equity, infrastructure, and private debt, typical size of commitments, regional and strategy preferences, indications of upcoming searches across regions, strategies and time frames as well as insights of specific considerations such as preference for fund structures. In order to allow clients to work most efficiently with the data, Kirstein does not offer an open platform to external stakeholders but rather implements the pool of data as an integrated part of its strategic advisory to clients. "The key to successfully maneuvering in the Nordic markets turn on relevant, honest and direct relationship building in the asset management industry. This can neither be done efficiently via database providers nor via third-party placement agents, but rests solely with the business development team within the asset manager's organisation with the support of local eyes and ears on the ground," Casper Hammerich, Kirstein's client director explains.



Casper Hammerich, Client
Director at Kirstein

The strategic advisory business at Kirstein is executed by a team of consultants that combines deep industry experience, proprietary investment research, and proven solutions in order to deliver value to clients in an evolving environment for institutional savings. "As an independent and privately-owned specialist advisory company, Kirstein acts as a leading advisor to both regional sales teams and senior executives of global investment management firms with the objective to advise clients on growth and marketing strategies including strategy reviews, strategy positioning, evaluations of market opportunities and new markets to enter, improvement of product appeal and growth prospects, and finally how to enhance the likelihood of winning new business in the Nordic region", Hammerich highlights.

"An overarching message to clients these days can be boiled down to a single sentence. You need access to comprehensive end-to-end intelligence regarding market demand, but equally important also regarding your likelihood of success in the Nordic region.", Hammerich adds.