

Marketing To Sophisticated Investors column
by Bruce Frumerman, CEO, Frumerman & Nemeth Inc.

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Marketing Errors: Where the portfolio manager isn't smarter than a fifth grader



Portfolio managers understand that they are being judged by prospective investors regarding their performance, the investment process they follow and the quality of their team members. Some portfolio managers, however, do not realize they are also being judged based on the design and layout of the marketing collateral they use in their selling efforts.

Not paying attention to design and layout can weaken any positive impressions of a firm's image and strengthen perceptions that the money management firm lacks attention to detail. Skeptical prospective investors will be left wondering *If this is the visible lack of attention to detail in their communications, what behind the scenes lack of attention to detail might be going on with the firm's investment process implementation in managing the portfolio?*

Can you pass a design and layout look and feel consistency check?

Too many firms have put out a range of marketing collateral and performance data documents that do not have the same look and feel. Some content looks like it has come from one investment management firm and other content looks like it could have come from another. This can dilute a money management firm's graphic identity or prevent it from even establishing one in the first place.

To see how consistent your firm has been with its marketing collateral, start by reexamining typeface and color use as well as layout structure, particularly for document types that are not one-off productions.

For instance, at the simplest level, you do not want to be using one body copy typeface in your Q1 letter to investors and a different typeface in your Q2 letter. Likewise, text and numbers-based tables should have consistent use of typefaces and point sizes. As a result, the monthly tear sheet should — design and layout-wise — look the same from month to month. (But, with hopefully improving performance data over time!)

Know how to use your software of choice

As a family office investor once recounted to me, oftentimes he found himself being pitched by portfolio managers whose flipchart pitchbooks contained layout errors, content formatting errors (such as problems with using tabs and bullets) and typos that seemed to jump off the page at him.

What got his goat, as he explained it, was that he was seeing the types of mistakes that his fifth grader child wouldn't commit in putting together a class presentation using the same software. (It was as if he was seeing that former TV gameshow *Are You Smarter Than A Fifth Grader?* come to life with money management firms.) This investor was coming across professional portfolio managers who didn't put in the time to make and proof their show-and-tell marketing documents that some elementary school kids would have done before delivering their class homework slide presentations. What further annoyed the family office investor was that many of the mistakes he was seeing would most likely not have been made if the portfolio manager was putting the same content into a Word file. It came down, predominantly, to not learning enough about the software selected for making slides to use it properly.

My suggestion is read the user manual. Or, at a minimum, when something looks off visually, do a 'how to' software knowledgebase search to learn how to correct the unintended layout error.

The lorem ipsum error

OK, you just can't make this up. It's the short story of a firm that started playing with applying its content to its new (at the time) design and layout, and then — in a very public way — forgetting just where they left off in completing the task.

Just a few years back, there was an emerging manager hedge fund firm owner whose About Us website page had, under that header, one sentence in lorem ipsum copy, followed by four indented bullet points of more lorem ipsum. Lorem ipsum, as you know, are text lines of Latin scrambled and used as place holders where meaningful content would later go. This was so surprising I took a screen shot of it, and every few months, over about a year, I went back to that website page to see if they ever realized their error and fixed it. No, they didn't. As I write this column now, I entered this money management firm's web address in my browser to see if that problem was still there. No, it wasn't. In fact, neither was the website or the firm. Lorem ipsum may not have shuttered their doors, but it certainly didn't help them win over sophisticated investors who want the portfolio managers they allocate to to be, as that family office investor put it, at least as smart as a fifth grader.

A post-revamp checkup

Once your investment management firm completes its design and layout look and feel revamp of each document type, consider showing it to two different sets of people: some current investors and also a friend or two who is not in the business. Ask these folks first whether they feel everything seems clear, orderly and consistent looking, or if something sticks out or seems peculiar. Next, ask if the range of documents you showed them seems like they came from the same company, or if any piece of marketing collateral did not seem to fit in with the rest.

Outside eyes, and assistance

For investment management firms that are not do-it-yourselfers in this area, consider seeking outside support for design and layout improvements so no prospect is left with the impression that your portfolio manager may not be as smart as a fifth grader.

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About the author

Bruce Frumerman is CEO of Frumerman & Nemeth Inc., a 36-year-old financial communications and sales marketing consultancy that helps financial services firms create brand identities for their organizations and develop and implement effective new marketing strategies and programs. Frumerman & Nemeth's work has helped money management firm clients attract over \$7 billion in new assets, yet they are *not* third-party marketers.

Frumerman & Nemeth is internationally recognized for its work in crafting for clients the beyond-the-numbers story of how they invest — content that investment committees actually discuss, debate and vote on behind closed doors when considering firms on a short list for potential investment. Importantly, this is required due diligence content that cannot be communicated in pitchbook format.

Frumerman & Nemeth's work also includes providing strategic consulting on product and strategy-specific branding, crafting the required strategy-specific content detail and designing and producing the marketing tools needed to make it through the two-month to two-year institutional selling cycle. Clients also employ Frumerman & Nemeth to help promote the intellectual acumen of management — helping them get speaking opportunities, write and give speeches as panelists or stand-alone speakers at industry conferences, and through media relations marketing services.

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