



OLSCHWANGER PARTNERS, LLC
Executive Search Consultants
To the Investment Management Industry

DIRECTOR OF SALES SURVEY

Summary of Results

Olschwanger Partners, LLC conducted this survey of Sales Directors to find out how they manage and motivate their team to succeed in an environment that is filled with so much uncertainty. Data was compiled from over fifty responses and reflects a diversified sampling of organizations and professionals throughout the United States in terms of assets under management, client and product focus, education and experience and ownership structure.

The following are key findings from the survey:

- Over 33% of the firms have assets greater than \$50 billion
- Over 50% of responding sales directors report to the firm's President/CEO
- 95% of responding sales directors' firms cater to institutional clients
- 68% of responding sales directors' firms cater to sub-advisory clients
- 61% of responding sales directors' firms cater to high net worth clients
- Lack of resources was the greatest source of frustration for sales directors
- Personal impact on success of people/firm was the greatest source of satisfaction
- 40% of responding sales directors aspire to serve as the COO/President of their firms

- Over 90% utilize industry contacts to recruit and cash compensation to retain
- 33% of sales directors are most concerned about an economic slowdown and poor performance
- 82% of responding firms do not utilize a third party firm
- Over 50% have graduate degrees and 30% have the CFA designation
- Responding sales directors average 16 years in the investment management business, 5 years as Director of Sales and 5 years at their current firm
- The most common attributes sales directors will be looking for from future sales pros are:
 - intelligence, ambition, character/integrity, communication skills, contacts, CFA, proven
 - track record, knowledge of products and direct calling experience

Olschwanger Partners, LLC is a consulting firm that assists money managers and investment consultants with executive-level hires. The firm's founder and Managing Director, Paul F. Olschwanger has over 15 years of experience directly in the money management business, representing a variety of firms, products and distribution channels.

Should you have questions about the results of this survey or would like to further discuss how we can assist with your future staffing needs, please call or email us at 972-931-9144 / pfo@osearch.org.

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2001 Survey Results

I. Personal Profile

A. Management Style [Multiple responses]

Macro	96%
Travel with sales pros	64
Easy-going	50
Intense	25
Micro	14
Stay in home office	14

**Style influenced most by former managers*

B. Highest Level of Education

Graduate	50%
Undergraduate	29
Post Graduate	21

C. Designations

CFA	29%
Other: CEBS, CFP, JD	

D. Memberships

AIMSE	68%
AIMR	43
Other: NASRA, NCPERS, SACRS, NCTR, IMCA, IFEBP	

E. Experience

Average Years in Investment Management Business	16
Average Years as Director of Sales	5
Average Years at Current Firm	5
Experience other than Director of Sales:	
Direct sales, consulting, product management, portfolio manager, client service, law	

F. Current Responsibility [Multiple responses]

Sales/Management	90%
Management	54
Client Service	54
Consultant Relations	50
Product Development	50
Marketing [materials, RFP]	46

G. Report to:

President/CEO	57%
COO	7
Other: Nat'l Sales Dir, MD of CS	36

II. Your Role as a Leader

A. Effectiveness as a Leader and Motivator

Ask for Feedback
Establish Clear Objectives
Frequent Updates
Communicate
Listen
Lead by Example
Set Realistic goals and Monitor them constantly
Pay competitive commissions with no caps

B. Balancing the Pressures of the Job [Multiple Responses]

Family	89%
Vacations	75
Sports	46
Community Service	39
Hobbies	36
Other: Exercise, Religion	

C. Establishing Expectations and Monitoring Progress/Performance

Set goals each year for each sales pro
Quarterly Revisions
Monthly meetings
Quarterly Reports which display efforts and results
Get Client Feedback
Specific benchmarking of calling activity and finals presentations
Stretch expectations where sales pro has more potential

D. Greatest Source of Frustration

Lack of Resources	25%
Poor Investment performance	21
Not enough control/input	18
Unproductive meetings	7
Lack of quality products	4
Other	25[pm's jealousy with sales pro's comp level, investment pros thinking they can market better than sales pro, internal politics, hiring good people]

E. Greatest Source of Satisfaction

Personal Impact on success of people/firm	39%
Success of People	25
Asset/Revenue Growth	21
Credibility of Firm	11
Other	4[efforts of sales pros, happy clients]

F. Alternative to Managing a Sales Force

COO/President	39%
Client Service	25
Manage Money	11

Sales	7
Other	18[CEO, Teach, Executive Search]

G. Current and Future Concerns

Economic Slowdown	32%
Poor Performance	18
Lack of Products	18
Lack of Resources	14
Sales Goals	7
Demand for Products	6
Employee Retention	5

H. Allocation of Time as Director of Sales [Averages]

Sales Management	30%
Strategic Focus	22
Direct Sales	21
Client Service	11
Consultant Calls	11
Other	5[Product Development]

III. Details about Firm and Products

A. Firm's Parent

Other	39% [Investment Advisory, private, RIA, LTD Part]
Bank	26
Insurance Co.	14
Brokerage	11
Holding Co.	10

B. Size (Total Assets Under Management)

> 50 billion	36%
10-50 billion	25
5-10 billion	18
501 million-5 billion	14
< 500 million	7

C. Clients [Multiple Responses]

Institutional	96%
Sub-Advisory	68
High Net Worth	61
Retail/Managed Accts	43
Family Offices	43

D. Employees

51-300	32
1-50	32
> 5000	18
301-1000	9
1001-5000	9

E. Sales Team (Those responsible for new business, client service, consultant marketing, etc.)

1-5	29%
11-20	28
6-10	21
21-40	11
> 40	11

F. Current Products Offered [Multiple Responses]

Equity	90%
Separate Accounts	79
Fixed Income	71
International	64
Mutual Funds	57
Hedge Funds	57
Cash	46
Global	43
Wrap	43
Fund-of-Funds	29
Private Equity	21

G. New Products to be Offered in Future

Convertible Arbitrage
Hedge Funds
Global Equity
International Equity
Value Equity
Fund-of-Funds
All Cap Value
Long/Short
High Yield

H. New Distribution Channels to be Pursued in Future

Sub-Advisory Partnerships Worldwide
Europe
Fund-of-Funds
Mutual Fund Supermarkets
Brokerage Wraps
Foundation/Endowment Markets
Bundled DC

I. Role of Technology in Sales, Sales Management and Client Service

Email
RFPs
On-Line Statements
Database and Sales Management
Web casts
Communication
Web site
Tracking of Sales Activity

IV. Firm's Structure

A. Sales Force Organized by: [Multiple Responses]

Geography	71%
Market Segment	54
Consultant	36
Product	18

B. Market Segments Covered [Multiple Responses]

<u>Institutional</u>	
Public Funds	47%
Taft-Hartley	43
Corporate	36
Foundations/Endowments	36
Insurance/Banks	25
Sub-Advisory	25

<u>Individual</u>	
Advisors/Brokers	11%
High Net Worth	7

C. Geographic Regions Covered [Multiple Responses]

<u>United States</u>	
West	57%
Northeast	54
Midwest	54
Southeast	54
Mid-Atlantic	50
Southwest	47

<u>Outside United States</u>	
Europe	25%
Asia	18
Latin America	14

D. Sales Professionals Based in: [Multiple Responses]

Home Office	79%
Satellite Offices	70%

E. Basis for Satellite Offices

Major Metropolitan Cities where Clients, Prospects and Consultants are Based	39%
Existing Office of Parent Company	25
Convenient for Sales Pro	21
Part of Specific Location to Grow Business	15

F. Coordinating New Business Calls/Presentations with Portfolio Managers

Use Portfolio Managers for 2nd or 3rd call
Use them selectively with advance notice and rehearse
Coordinate all meetings through Head of Sales
Portfolio Managers are only used for very large finals
Sales Pro works directly with portfolio managers

G. Who Makes the Finals Presentation? [Multiple Responses]

Sales Pro	82%
Portfolio Manager	75
Sales Manager	39
CIO/President	25
Client Service Rep	25
Consultant Liaison	14

H. Reporting of Sales Activity

Weekly meetings, Monthly Reports, Quarterly Formal Review
 Contact Management Software[Pro Trak, Avenue, Saratoga, ACT, Seible]
 Rating System that measures strength of relationship and attractiveness of opportunity

I. Role of Client Service [Multiple Responses]

Takes over day-day relationship after sale	79%
Coordinates all reporting with client	71
Looks for new "cross-selling" opportunities	71
Explains investment strategy and rationale for buy/sell decisions to clients	50
Makes Finals presentations	32
Interacts with consultants	25

J. Day-Day Relationship Management (Who takes over after sale?) [Multiple Responses]

Client Service Rep	86%
Sales Pro	50
Portfolio Manager	25
Consultant Liaison	7

V. Compensation

A. Director of Sales (Averages)

Base Salary	100%	180,000
Bonus: Objective	79	
Based on the following responses: new business, net production of team, revenues, assets, division's new business goals		
Bonus: Subjective	64	
Based on the following responses: profit and overall sales, manager's evaluation, overall contribution, booked assets		
Equity/Ownership	68	
Based on the following responses: options, % of net profits, private stock		
Other	14	
Based on the following responses: long-term incentive plan, commissions, restricted stock		

B. Sales Professional (Averages)

Base Salary	90%	135,000
Bonus: Objective	68	
Based on the following responses: assets booked, % of 1 st year's revenues, 35bps over 3 years, cash flow, assets under management		
Bonus: Subjective	32	
Based on the following responses: teamwork, assets booked, overall contribution, evaluation of manager, contribution to overall success		

Equity/Ownership	50
Based on the following responses: options, % of gross profits, phantom stock, private stock, stock options after 3 years	
Other	18
Based on the following responses: commissions, trailers	

C. Dedicated Client Service Rep (Averages)

Base Salary	100%	140,000
Bonus: Objective	46	
Based on the following responses: retention, cross-sells, sales profits, cash flow		
Bonus: Subjective	51	
Based on the following responses: teamwork, net cash flows, cross-sells, quality of service, retention, profits		
Equity/Ownership	46	
Based on the following responses: stock options, phantom stock, restricted stock		

D. Dedicated Consultant Liaison (Averages)

Base Salary	100%	150,000
Bonus: Objective	60	
Based on the following responses: new dollars from consultants, override on sales, % of first year's revenues		
Bonus: Subjective	73	
Based on the following responses: evaluation of manager, activity and sales, general contribution, quantitative and qualitative objectives, getting to finals		
Equity/Ownership	53	
Based on the following responses: equity options, % of gross profits		

VI. Staffing (Multiple responses)

A. Methods for Recruiting

Industry Contacts	93%
Compensation (up-front guarantees)	46
Internal Human Resources Dept.	43
External Recruiters.....Contingent	32
External Recruiters.....Retained	32
Internet Job Postings	14

B. Methods for Retention

Cash Compensation	90%
Work Environment	82
Deferred Compensation	61
Products/Performance	43
Employee Benefits	40
Other [ownership, restricted stock, training, firm reputation]	28

C. Expected Attributes from Future Sales Professionals

Intelligence	Contacts
Self-Motivated	Detailed Accomplishments
Ambitious	CFA, MBA
Character/Integrity	Strong Product Background
Work Ethic	Fit to Team
Communication Skills	Direct Calling Experience