

DAPPER AnalysisSM: The Attributes of Success

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Many asset managers are facing increasing challenges growing their business in an institutional marketplace that's been chastened by losses, burned by scandals, and betrayed by trust in style over substance. Investment consultants are under fire for missing the economic cues that led to the market meltdown of 2008, leaving their pension and endowment clients scrambling to recover from losses that have left their liabilities grossly underfunded.

In this new era of heightened fiduciary scrutiny, managers that want to improve their chances of making it past the RFP stage must do a better job of convincing potential clients that their governance, compliance, and management practices are as sound as their investment results. It's all about improving communications.

In the past, a three-year track record of benchmark beating might have gotten a manager to a finals presentation, but today's investors want the proof behind the performance. The "Why" and "How" are now as important as the "Who," "What" and "When." This can be particularly challenging for asset managers that lack internal communications and marketing resources. Fortunately, there's a tool that can help them find their voice: **DAPPER AnalysisSM**.

Is Everyone Speaking the Same Language?

There's a simple way to find out. Conduct a simulated sales session where one associate plays the role of a prospect and another takes on the sales role. The "client" asks the salesperson a single question:

"In thirty seconds, tell me why my (endowment, defined benefit plan, foundation) should trust your firm to help us address our investment objectives?"

If the "salesperson" is unable to present a compelling, convincing argument in the time allotted—or if several different associates playing this same role deliver different arguments—your firm needs to get its story straight.

A proprietary marketing tool developed by Briskin Consulting and built on extensive research into the purchasing considerations among institutional clients, DAPPER Analysis provides a framework for helping asset managers and advisors identify and articulate their strengths in language that resonates with their intended audiences.

At the heart of DAPPER Analysis is a thorough evaluation of six critical attributes of a firm's brand identity, investment processes, reputation and trustworthiness that must be clearly articulated to potential investors. These attributes are:

- **Differentiation:** The overall qualities that make a firm stand out among its competitors.
- **Attribution:** How effectively and concisely a firm can demonstrate the effect of individual investment decisions on alpha generation.
- **Process:** Moving beyond investment strategy to encompass the aspects of a firm's investment, governance, and operations processes.
- **Pedigree:** The overall awareness of the firm among consultants and potential clients, and the overall perception—accurate or otherwise—of its capabilities.
- **Endurance:** The demonstrated proof of a firm's ability to deliver strong performance over the long term, or, if the company has a short track record, the articulation of qualities that justify an investor's faith.
- **Relevance:** The ability of a firm to understand and respond to the unique challenges facing their intended audiences.

Notice that “performance” is not a DAPPER attribute, nor should it be. Strong performance is the proof point of strong DAPPER qualities. A firm with poor performance—or no verifiable past performance history attributable to its portfolio managers—is unlikely to be considered by clients or consultants, no matter how strong its governance and business practices as. That is why DAPPER Analysis is targeted at firms with a solid three-year return and at least \$50-\$100 million in assets under management.

A typical DAPPER Analysis engagement takes between one to two months, and involves interviews with senior managers, portfolio managers, analysts, business development managers, salespeople, and compliance and operations personnel. From this analysis, Briskin Consulting typically develops a report that:

- summarizes the results of the analysis;
- assesses the firm's strength and areas for improvement for each DAPPER attribute; and
- provides client-centric language supporting its marketable attributes that can be leveraged for use in branding and value proposition development efforts, RFPs, consultant databases, sales presentations and marketing collateral, elevator speeches, white papers, press releases, speaking engagements, and online content.

DAPPER is particularly effective for boutique investment firms and hedge fund managers that are facing increasing demands from clients and distributors for greater transparency and accountability.

Building an effective story doesn't guarantee a flood of new business. However, it can help unite everyone in your firm around a set of common values, and ensure that the attributes that make your firm successful stand out in an increasingly competitive and challenging marketplace.

For more information about DAPPER Analysis, contact Jeff Briskin at jeff@jeffbriskin.com or 508-934-6252.
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