

Product Development Consultants: Navigators for Asset Management's Choppy Waters

Every asset manager, to some extent, needs to be comfortable predicting the future. After all, it's how they make money. But the current turmoil inflicting the industry requires more than finely honed instincts about when to buy or sell. It needs clairvoyants.

A perfect storm of rapid consolidation, Brexit uncertainty and MiFID II is leading fund managers to ask themselves some tough questions. Which products should we be selling one, three or five years from now? Should we be developing new ones? If so, in which markets? Meanwhile the competitive pressures pile up, as asset managers cut fees in response to legislator calls for more transparency, or look to expand their portfolios through acquisition.

One function, more than any, will decide what these businesses look like when the mists finally clear: product development. Too often seen as a back office role, today's product developers sit alongside Sales and Relationship Management at the heart of the enterprise. They are critical to ensuring the right product in the right market, to exploiting the right opportunity, and can make the difference between success and failure - between rising or falling AUM.

It's why product developers have never been in higher demand. UK-based asset managers worried by Brexit are looking for help to set up funds in places like Luxembourg or Dublin in case they can no longer 'passport' into Europe. Meanwhile new 'boutique' asset managers need product development expertise to help them grasp new product opportunities in a fast-evolving market.

But great product development professionals are rare and precious. It's hard to find them internally, and sourcing and hiring a suitable permanent hire externally can take far too long. It's why at Sheffield Haworth we're seeing unprecedented demand for seasoned product developers who can be found quickly and contracted for as long as they are needed.

Hiring an independent consultant adds flexibility, is cost-effective, and gives you fast access to skills and experience very hard to source elsewhere. Consultants can be taken on for a specific project of, for example, three, six or twelve months. It also avoids the difficulties of hiring from a competitor, where non-compete contractual clauses can be a major issue.

For example, we recently provided experienced independent product development consultants, for the following:

Helping a UK-focused organisation protect itself against the potential consequences of Brexit by launching funds in Luxembourg. The consultant liaised with local regulators and helped provide post-launch due diligence. After six months the funds are all set up, the consultant moved on, and if necessary the company can re-engage with someone to administer the funds.

A 12-month assignment to help a boutique equities house expand into US fixed income funds. We supplied a consultant with more than twenty years' experience to help the company launch in that sector. As a result, the equities house successfully expanded its portfolio and increased AUM.

With MiFID II now live and only a little over a year to Brexit, you don't need a clairvoyant to know these are choppy waters. Hiring an independent product development consultant can give you an expert pilot to steer development along the best course until the mists clear.

As specialists in the field, we have great access to senior contacts looking for independent consulting assignments, including former heads of distribution, CIOs, as well as governance professionals. To find out more, why not get in contact?



Key Points:

- Asset managers are under pressure to future-proof against Brexit and legislative changes.
- It's why many are hiring experienced product development consultants for urgent projects.
- Cost-effective solution to complex projects involving Brexit, MiFID II and M&A.

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