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Wall Street's Crisis = Your Opportunity

It's scary out there. Kind of brings to mind that ancient Chinese curse: "May you live in interesting times!" Well, the times are certainly interesting. In the last two weeks, the financial landscape as we once knew it has changed in ways many of us would have never guessed possible. And it's still not over.

You can stuff your mattress with cash, put a rabbit's foot under your pillow and pull the covers over your head and try to wait it out. But chances are, it's going to be some time before we see confidence in the markets, not to mention many of our financial institutions, restored. So a duck-and-cover strategy is not going to work, especially if you're a money manager. Your clients won't stand for it. They want to know that you're going to do right by them.

So what do you do?

It may seem unlikely, but bad news usually means it's just the right time to break out of the pack, capitalize on the opportunity and position yourself and your firm as a high quality investment manager.

Here's how:

First things, first: Be a leader—not a critic. Remember Rudyard Kipling's poem "If..."? It begins: "If you can keep your head while all about you are losing theirs..." Leaders step into the spotlight and share practical, actionable and sound insight and commentary. Leaders are about solutions, not recriminations. People admire those who take leadership positions and are composed and thoughtful, not those who shrink away, or worse, blast everyone.

Communicate with your clients. It may take longer than any one of us would like, but sooner or later the meltdown on Wall Street will sort itself out. What you'll want to be remembered for by your clients is as a calm, competent and savvy manager, not the one with the loudest voice. So look for ways to convey to your clients how your experience, investment process and understanding of the marketplace are helping them weather the "perfect storm." If there was ever a time for handholding this is it.

You may not have all of the answers to their questions and concerns. But what they want to know most is that you are there—in the thick of things—doing exactly what they hired you to do. Shooting them a brief e-

mail, or giving them a quick call, explaining how you are positioning their portfolios now, will probably go a long way to reassuring them that there is a steady hand at the helm.

What matters most. Again, let others spend time debating solutions to the financial crisis and remember that you are not only a money manager, but a fiduciary. Remind your clients about how seriously you take the trust they have placed in you. Make sure they understand the steps you are taking to ensure they won't be taken down the same risky path that has led to the collapse of larger financial institutions. And make sure they know that you feel accountability is a principle you believe in, and not some obstacle to be dodged.

Don't take your eye off the ball. As I write this, there are no less than six pundits (that's right, six), crowding the screen on CNBC, each trying to out shout the other, each opining that some kind of a bailout plan will be/has to be on the table by the first of the month if the nation is to avoid economic ruin. I will leave others to handicap when we will see a plan and how quickly (or if) it can make this mess go away. One thing I can say with some degree of certainty, though, is this crisis will touch nearly every person in the nation before it runs its course—and many, not for the better.

That's something to keep in mind as you manage your portfolios. The consequences of this crisis are likely to be more far reaching and longer lasting than anything quite like we've seen before. There will doubtless be a new and stricter regulatory environment. Congress, taxpayers and investors are likely to be more suspicious of Wall Street. The finger pointing will continue. And the stunning failures of what were once regarded as great financial institutions are likely to reflect on money management firms of all sizes.

Conventional wisdom has it that marketing involves developing ways to secure new clients. But remember that keeping your existing clients in the know about what you are doing, amidst all this uncertainty—and how you are facing the tough challenges ahead—and help keep those clients from becoming ex-clients.

Preserving your client base is a vital form of marketing in and of itself.

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