First Creation Consulting

Equity Case Study
Selling Skills
Institutional Client

Solar Fund Management
Client's Brief

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Solar Fund Management

Situation

You have recently taken on a new position at **Solar Fund Management** where you are responsible for investment decisions for your sectors on a pan European basis. You also help run the income funds.

Since taking on your new position you have been covered by a number of brokers including Omega Bank where you have developed a reasonable relationship with the Analyst/Salesperson covering your sectors.

They recently sent you an in depth sector report/idea that you have skimmed but not read in detail.

The Analyst/Salesperson has called to request a meeting to discuss the report/idea in more detail plus any other stocks in which you might be interested. You have said that you do not feel this is necessary at this moment.

However you would be happy to meet to discuss how the relationship could/should be developing.

Personal Client Profile

- Graduated in history from Durham and moved straight into Fund Management in 1995
- Until taking this post, you were focused on Fixed Income research.
- You have worked at Solar Fund Management since graduation and feel that promotion is a "dead man's shoes" game.
- Your new role is to cover your sector on a pan European basis as well as two others and help to run the income funds.
- Solar Management's funds have an in-line weighting in your sector

Client Profile

Funds under management ($) 38bn
Equities (%) 85
Bonds (%) 12
Other (%) 3

Geographic spread: US money run from US (20% Equities), Japan (4%), Asia Pac (2%), Europe ex UK (15%), UK (59%)

Investment Style: Bottom up growth-orientated stock pickers

Investment benchmark: FTAllShare (UK), MSCI Europe ex UK (Europe)

Overall Pan European investment performance 2001: Top of second quartile
Research Model: Pan European

The Solar CIO chairs the monthly strategy committee. Solar would like a strategy call that embraces all asset classes. At a regional level Solar are less interested in sector views and more ideas driven. Solar also have a Special Situation fund run by a senior fund manager which stands alone and pays 0.5% commission.

Current issues/concerns you have include the following:

- I have no prior knowledge of the sector. I would be open to a meeting just to run through the ABC of the sector.
- I do not have a mathematical background and so am not interested in models – I like big picture strategic stories and newsflow. I currently do not receive your daily.
- My primary concern is getting the story first. I am concerned that as a medium-sized fund manager we do not get the first call.
- Because of my background I do spend more time than most considering the economic environment for the sector and would be interested in getting economics research, which currently I don't get.
- Our weighting in your sector includes almost every stock over EUR 4 billion. I think that we should rationalise these holdings down to 2-3 major positions.
- The morning meeting starts at 09:00 leaving plenty of time for a call.
- I am an intermittent watcher of brokers morning meetings using RAW and would be interested in knowing when your contributions or those of the other relevant sector analysts are broadcast. **Solar Fund Management** does not have Avistar but I would be willing to visit your office to see the system in practice and then introduce my head of research to the system.
- I am diligent at filling in quarterly internal voting forms (research have 65% of the overall vote) but historically have changed my broker preferences little. I have a personal rule not to allow a broker to rise or fall more than one place each time I vote. We do not vote in I.I. but used to participate in Reuters surveys.
- I am particularly paranoid about Hedge Funds getting all the best ideas and want to know how much of your time is spent talking to Hedge Funds.
- I increasingly use voicemail as a screening tool and appreciate blast voicemails.
- I do not perceive Omega Bank as strong in the US and so have never ranked them that highly. My acid test of US strength is the regularity of news flow and the weekly availability of transatlantic comps. We have a US office but I rarely talk to them.
- I have been given a special project by the head of research to look at the pros and cons of an internal research portal but have not found any analyst who can help me on getting started.
- I have historically given special projects to my favourite brokers but have been disappointed with the service level.

- My pet hate is e-mails that do not contain the name of the sender in the title – I don't open them.

- I appreciate one call a week as a minimum and would vastly prefer to hear from one person on all stocks in the sector – that way the analyst concerned can build up a picture of what I really need.
- I feel very strongly about receiving a morning call at 07:30, which I currently do not receive.
- The best money making idea that I ever had was in a restructuring story and I am particularly keen to hear of any more.
- I deal quite actively on a personal basis and always like PA ideas.
- I am happy to take a specialist sales call if the analyst is travelling but do not want a regular specialist sales call.
- I do not have access to your website and am not aware of your global sector sites.
- I use Bloomberg messaging and am also quite interested in the Biryini analysis that Bloomberg offers. I have not heard of your DB Money flows website.
- I expect Omega Bank to bring in a management team once every two months.
- I would like the analyst to email a copy of the spreadsheet detailing profit forecasts every time it is changed.

Case Study Objectives

The objective of the case study is for the Omega Bank Analyst/Salesperson to develop a conversation with you and find out what your needs/service requirements are by asking quality questions.

Please do not be too forthcoming with your areas of concern/needs unless the Omega Bank Analyst/Salesperson asks you relevant questions.

You can decide on your areas of concern and prioritise from the list above.

(Some of the issues on your wish list may be quite demanding. It is for the Omega Bank Analyst/Salesperson to manage your expectations.)

Please prepare to play the client for Solar Fund Management.

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Omega Bank Brief

Solar Management
Omega Bank brief

Situation

There has been a recent change in your counterparty at Solar Fund Management.

You have been covering the new person at Solar Fund Management for a brief period of time during which you feel you have developed a reasonable relationship.

In an attempt to get to know the client better you have called to request a meeting to discuss an in depth report/idea you sent them recently.

The client has agreed to meet with you but also commented that they have read your latest in depth sector report and do not want to discuss stocks but are happy to discuss how the relationship could/should develop.

Personal Profile of Client

- Graduated in history from Durham and moved straight into Fund management in 1995
- Until taking this post recently, they were focused on fixed income research.
- They have worked at Solar Fund Management since graduation and feel that promotion is a "dead man's shoes" game.
- Their new role is to cover your sector on a pan European basis as well as two others and help to run the income funds.
- Solar Fund Management's funds have an in-line weighting in your sector
- Although the Omega Bank team has serviced the account in the past they have never been placed in the top 3 of the clients voting process.

Client Profile

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Investment Style: Bottom up growth-orientated stock pickers
Investment benchmark: FTAllShare (UK), MSCI Europe ex UK (Europe)
Overall Pan European investment performance 2001: Top of second quartile
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CIO chairs monthly strategy committee. They want a strategy call that embraces all asset classes. At a regional level are less interested in sector views and more ideas driven.

Case Study Objectives

The objective of **Part 1** of the case study is to conduct a meeting with the client to gain a good understanding of what their needs are and how they would like to be serviced going forward.

The objectives of **Part 2** of the case study is to conduct another meeting with the client where you will present how you will address their needs and provide a value added service.

You may have to overcome any concerns/objections that they may have in your ability to deliver in order to convince them that you can meet/surpass their requirements.