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Charting a New Course: Achieving Profitable Growth in a Maturing Asset Management Industry

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Executive Summary:



Asset managers can no longer rely upon consistent market appreciation as the main source of growth. As the industry matures, it will be much more difficult for institutional asset managers to grow and maintain current levels of profitability. But it will not be impossible.

On the contrary, the market still presents viable and attractive opportunities for managers capable of adapting to the new environment. Doing so will require change in the way managers:

1. Pursue clients, sales and growth,
2. Market their products and their firms, and
3. Execute their strategies on a day-to-day basis — especially in distribution.

In this paper we'll take a deeper dive into what it will take for managers to compete and succeed in a maturing industry characterized by slowing growth, increased competition and pressure on margins.

> As competitors stumble into the ever-present pitfalls, a tremendous opportunity is created for companies that are willing to compete aggressively and imaginatively. For them, competition in these [mature] industries is by no means dull; rather, it is exciting and profitable.
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> ~"How to Compete in Stagnant Industries," by Richard G. Hamermesh and Steven B. Silk, Harvard Business Review, September 1979

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