

Pandemic Perspectives – A New World Order

June 3, 2020

U.S. President Woodrow Wilson used the phrase “new world order” toward the end of the First World War to describe his vision for international peace, based on the belief that the world could no longer operate as it once had.

At Greenwich Associates, we believe that the COVID-19 crisis is a seminal event for the asset management industry from which a new world order will arise. For years leading up to the COVID crisis, the industry has pursued incremental enhancements to challenges related to operational efficiencies, alignment of interests and use of technology, marketing and client experience approaches.

The COVID crisis will lead to new thinking and approaches to address these challenges, driven by new business models, new pricing structures, greater outsourcing, and investments in technology and data.

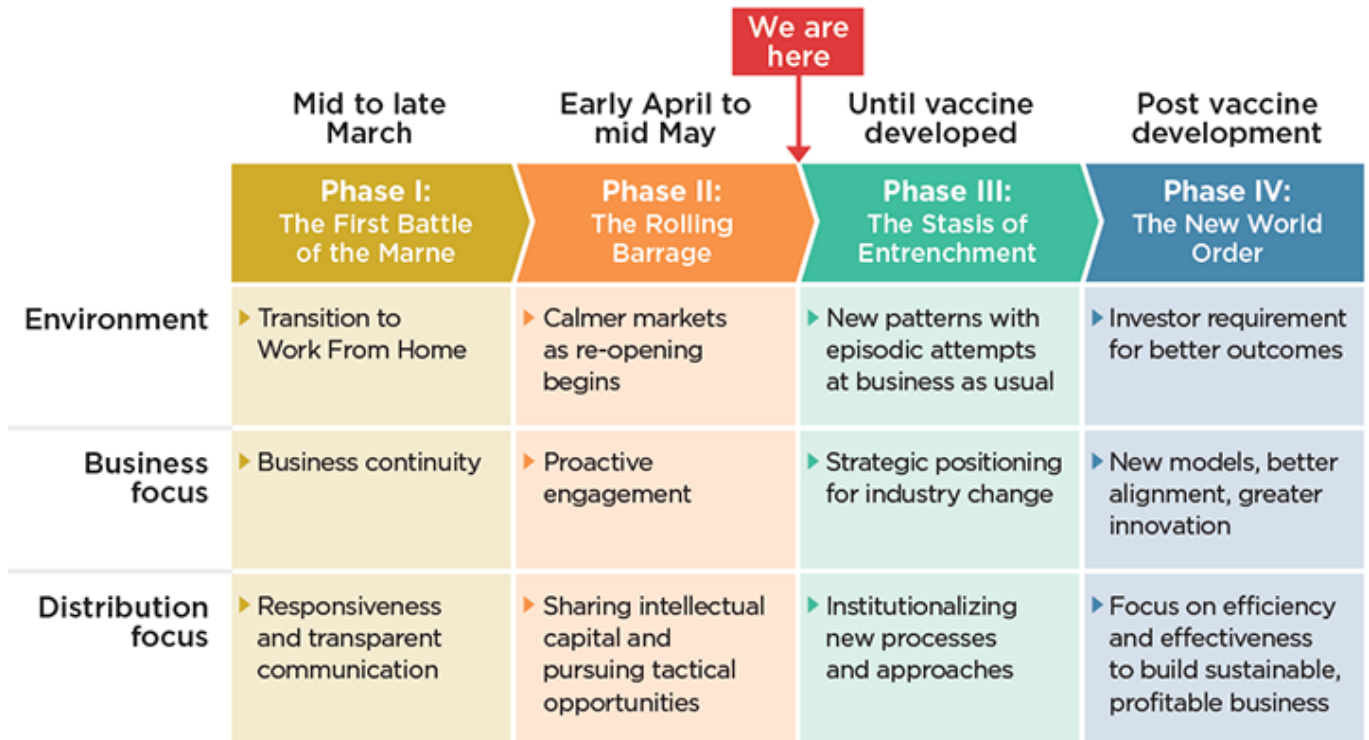
But, let’s not get ahead of ourselves. The global war against the coronavirus and its impact on economic stability and market volatility continues to rage and will for some time. Until a vaccine is developed and widely distributed, the industry, like the world at large, will remain in a period of transition.

During this transition, the actions that asset managers take to prepare for the post-COVID environment will have lasting impact on their success once the war is finally won.

Phases of the War

Over the past two months during the height of the COVID outbreak we conducted weekly “pulse” studies with asset owners, investment consultants and asset managers to provide real-time insights about rapidly evolving industry needs and best practices. Managers are responding to investors’ shifting needs, with the leading firms positioning themselves for long-term success.

MANAGER RESPONSES DURING COVID-19



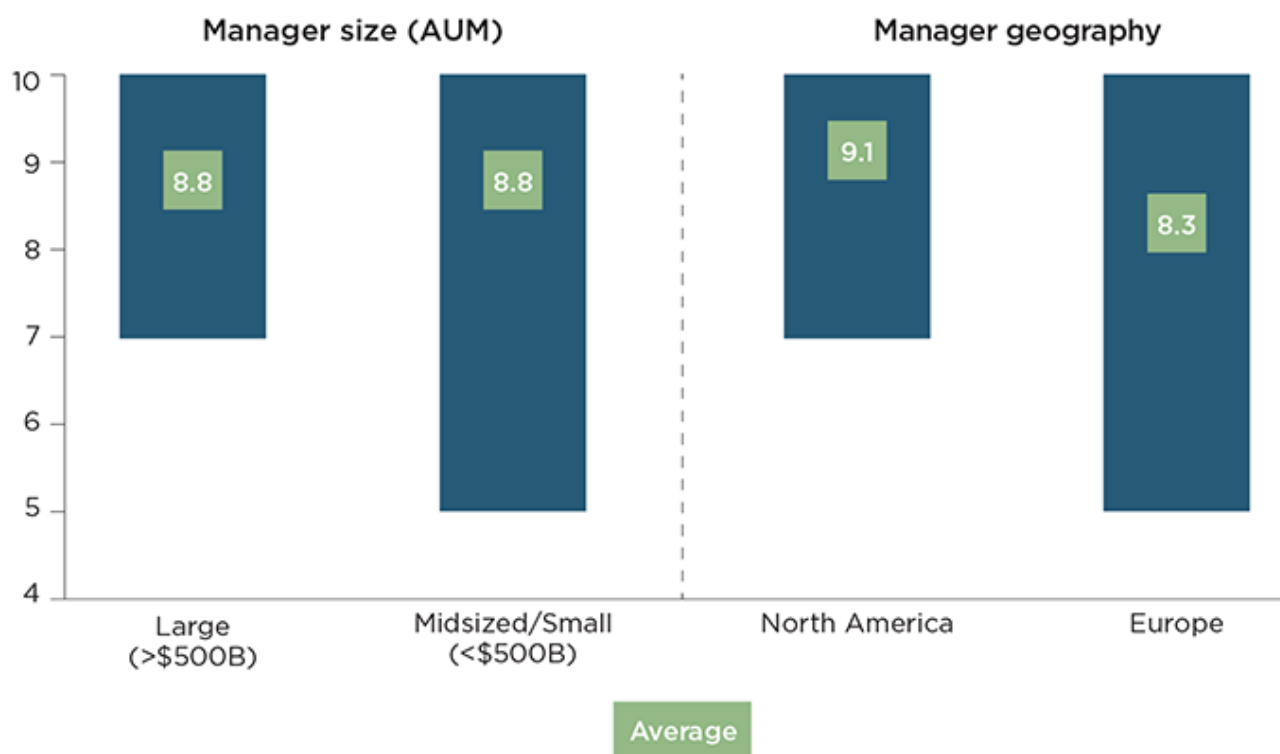
Source: Greenwich Associates 2020

Phase 1: The First Battle of the Marne

In the initial phase of their coronavirus response (mid-to-late March), asset managers were largely on the defense. A torrent of client and consultant inquiries about portfolio performance and market events arrived just as managers themselves were transitioning to a work-from-home environment.

Like the French and British soldiers in WWI counterattacking along the Marne River, early responses from managers during the COVID outbreak focused on daily newsletters, market intelligence and portfolio reports delivered during sometimes grueling 18-hour days. Although managers reported that they were [relatively well prepared for the unexpected circumstances](#), the primary goal appeared to be responsiveness.

ASSET MANAGER READINESS FOR REMOTE WORK ENVIRONMENT



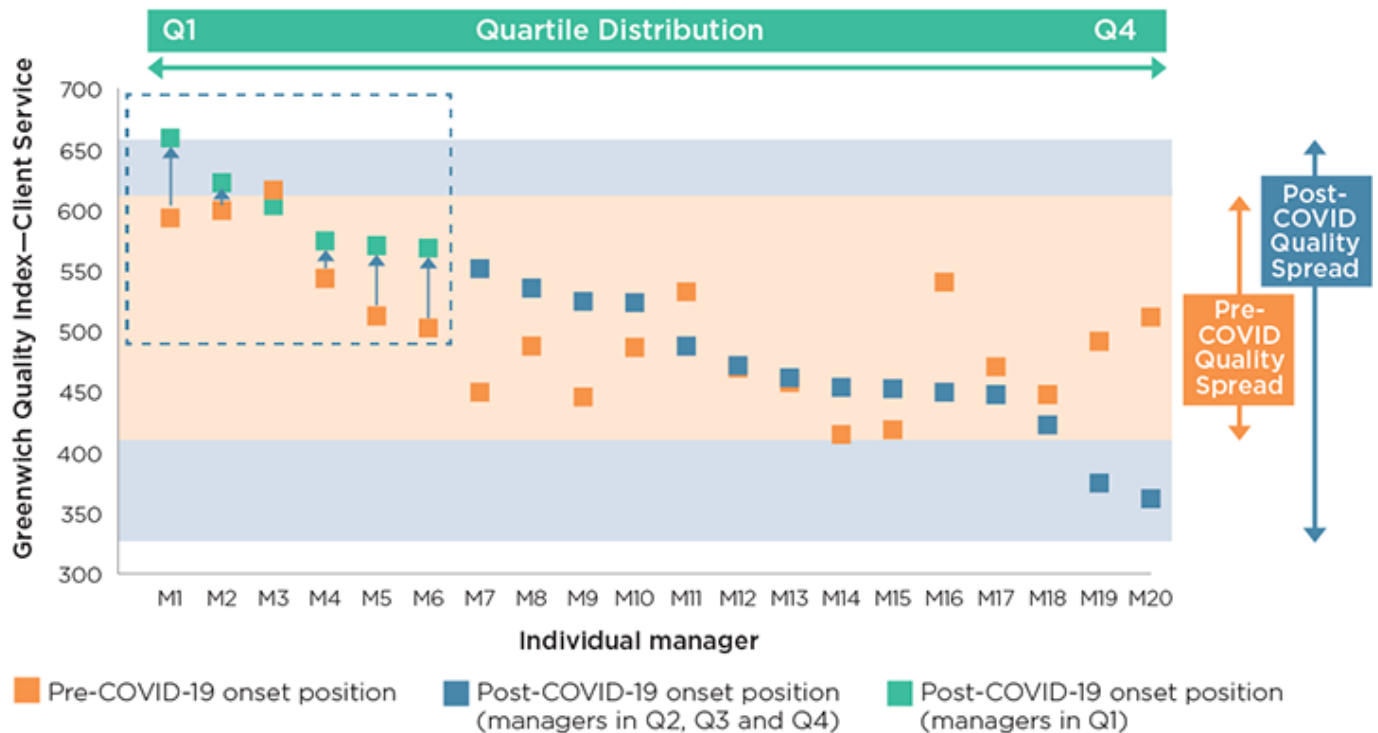
Source: Greenwich Associates Coronavirus Flash Study, April 2020

Phase 2: The Rolling Barrage

Soldiers in WWI used an offensive tactic, the “rolling barrage,” in which they would fire a hail of artillery as a curtain for infantry following closely behind, the purpose of which was to offer cover to advancing troops. Likewise, as markets stabilized in early April, managers shifted toward offense in the second stage of their response (early April to mid-May).

Calmer markets provided breathing room to establish a strategy aimed at proactive outreach to clients and consultants. Leading firms that already had cultures of service excellence were able to distance themselves from competitors through [thought-provoking, opinion-oriented intellectual capital delivered through a variety of tech-enabled formats](#).

ASSET MANAGER CLIENT SERVICE QUALITY RATINGS PRE- AND POST-COVID-19 ONSET



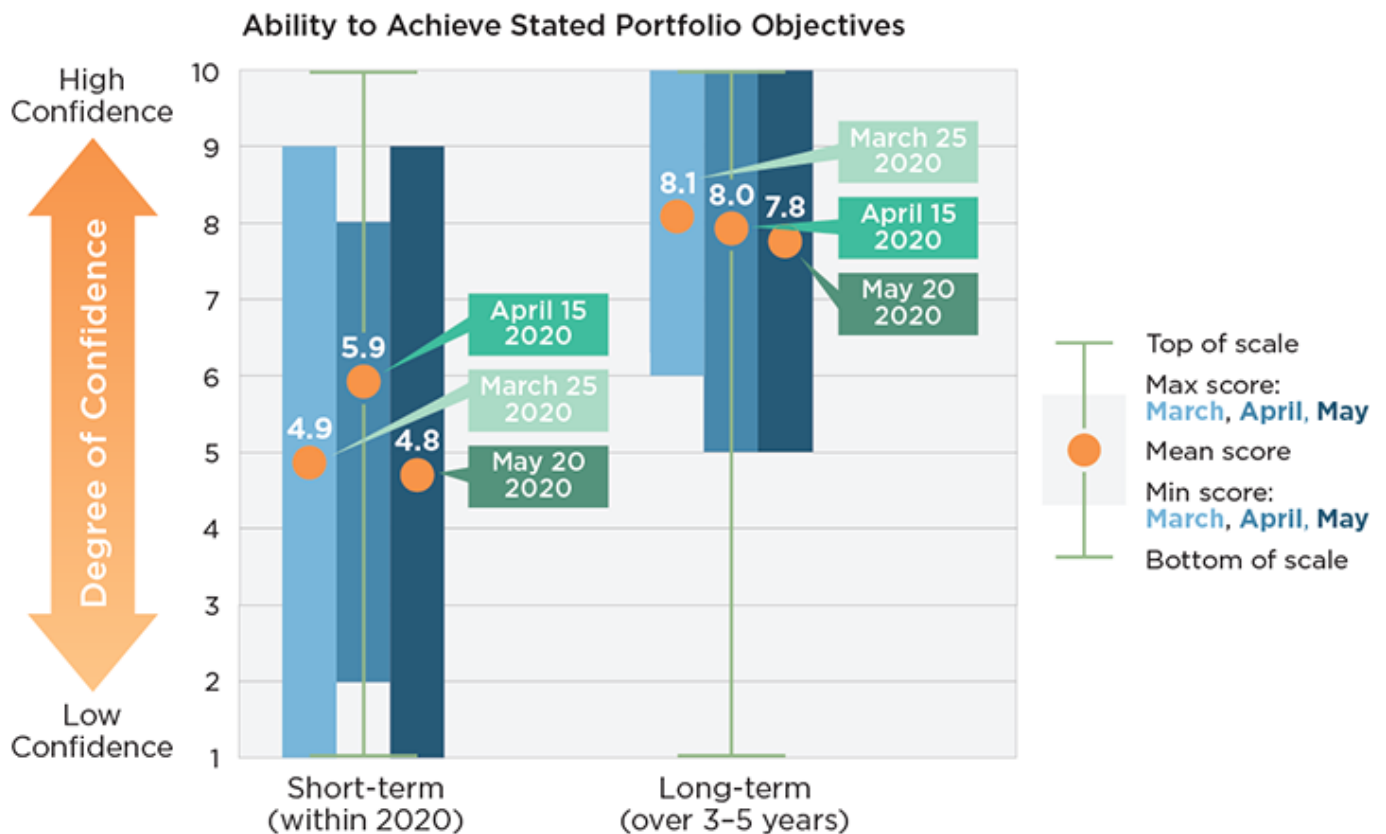
Source: Greenwich Associates 2020 Continental European Institutional Investors Study

Phase 3: The Stasis of Entrenchment

Much of the western front of WWI was fought in the trenches in Belgium and France. Despite courageous fighting on both sides for prolonged periods of time, trench warfare often resulted in gains measured in mere feet (on a front that was hundreds of miles long).

In the fight against COVID-19, we find ourselves in a similar stasis today, though one incomparably safer. The days working from home blend together. We must all find [personal and professional patterns during what is likely to be an extended period of uncertainty](#).

GREENWICH INVESTOR RESILIENCE INDEX



Source: Greenwich Associates Coronavirus Flash Studies, March, April, May 2020

This phase of the war, however, is an important period that will ultimately determine which asset managers ascend to the top of the league table in the next business cycle. These “best-in-class” firms will 1) ensure that the communication and service levels set during the early stages of the COVID response are institutionalized as ongoing processes, 2) find ways to reconnect their high-quality people with investors, and 3) utilize their key differentiators on behalf of the segments they choose to serve.

Further, it’s an important transition phase because many of the industry trends that have emerged are likely to accelerate. For example:

- **Industry concentration** - Either through M&A or attrition (firms closing their doors)
- **Enhanced use of technology** - To enhance investment processes and distribution efficiency
- **Demand for advice** - As investors struggle with increasingly complex markets
- **Professional marketing** - As managers realize that investor engagement can be a competitive weapon for growth
- **Client centrism** - In an effort to optimize relationships with key accounts

With no clear timeline for a COVID-19 vaccine, we don’t know how long this phase will last. But, like the soldiers in the trenches, we know that it will end, and that the world will look very different on the other side.

Phase 4: The New World Order

Following the “war to end all wars,” Woodrow Wilson argued for an approach to world governance that would identify, understand and address worldwide problems. President Wilson focused on shared challenges like collective security, democracy and self-determination. Although his vision did not fully come to fruition, the new world order following the war made good progress on these issues.

Likewise, in the wake of the COVID-19 pandemic, the asset management industry is likely to make significant progress on the long-standing challenges that have vexed our industry.

Challenges like how to best align the interests of investors and managers; how to optimize client experiences; how to effectively deploy capital to benefit society; how to leverage technology to optimize investor experiences; how to ensure proper investment oversight and expertise; and how to structure retirement savings plans.

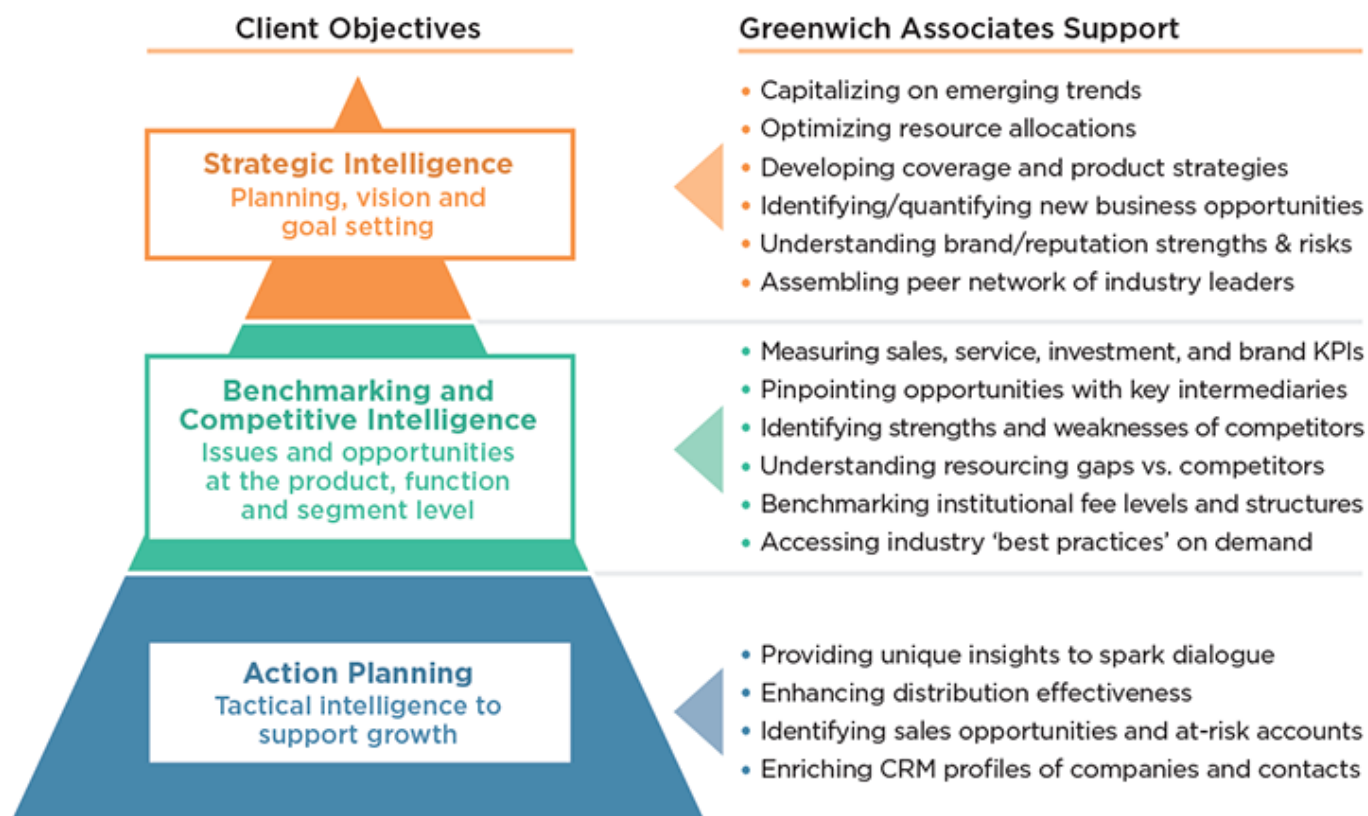
While the answers to these challenges are not yet clear, a raft of established providers, not to mention entrepreneurs, are hard at work on creating innovative solutions. Be on the lookout for [new business models](#), [new fee models](#), [opportunities for outsourcing](#), [new approaches to using technology](#), and [more effective uses of data](#).

History shows that dislocations spawn innovation in industries in need of disruption.

Greenwich Associates is privileged to serve the world’s leading asset managers and investment consultants assess and refine their business strategies through our data, analytics and insights. We hope that you have found our “Pandemic Perspectives” blog series helpful during the early days of the COVID crisis.

We are excited about the opportunity to help our clients successfully navigate the uncertain environment in the months ahead. Please do not hesitate to reach out to us to discuss your specific needs.

DATA, ANALYTICS AND INSIGHTS: DRIVING GROWTH FOR THE WORLD'S LEADING ASSET MANAGERS



Source: Greenwich Associates 2020

Pandemic Perspectives Series

[Part 1 – Greenwich Investor Resilience Index](#)

[Part 2 – Lessons from the Past](#)

[Part 3 – Supporting Consultants During Coronavirus](#)

[Part 4 – Asset Manager Service Quality: Pre- and Post-COVID-19 Onset](#)

[Part 5 – Leading Through Crisis](#)

[Part 6 – Useful Content in Times of Crisis](#)

[Part 7 – Managers Adapting Through Crisis](#)

[Part 8 – Using Analytics to Transform Sales, Win New Assets](#)

[Part 9 – Navigating the Virtual Event Landscape](#)

[Part 10 – Acceleration of Trend toward ESG](#)

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit www.crisil.com

Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to

regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.