

Amid COVID-19 Crisis, Who Will Institutional Investors Turn To For Advice

Greenwich Associates Names 2019 Greenwich Quality Leaders in U.S. Investment Consulting

Tuesday, April 28, 2020 Stamford, CT USA — Although it's usually investment consultants who give advice to their clients, institutional investors have some advice of their own for consultants competing for their business: reach out proactively with ideas and assistance, and report and respond to requests quickly and on time.

"That advice holds true at any point in the market cycle, but especially today, amid the COVID-19 pandemic, when institutional investors are dealing with unprecedented swings in global markets and are looking for all the help they can get," says Greenwich Associates Principal **Sara Sikes**.

Greenwich Associates identified five factors that distinguish best-in-class consultants from average practitioners. The first two factors - Timeliness of Written Reports and Provision of Proactive Advice & Innovative Ideas - show the highest degree of differentiation between the winners and the average firms and both relate to a consultant's commitment to the relationship.

The next three factors - Understanding of Client Goals and Objectives, Advice on Asset Allocation and Liability Issues and Usefulness of Personal Meetings relate to a consultant's ability or willingness to listen, research, understand a client's needs, and deliver advice specific to a client's unique situation.

The 2019 Greenwich Quality Leaders in Overall U.S. Investment Consulting have set themselves apart from their competitors in each of these five categories. The 2019 Greenwich Quality Leaders for the 'Large Consultant' category are Marquette Associates, RVK and Segal Macro Advisors and the winners for the 'Midsize Consultant' category are Angeles Investment Advisors, Asset Consulting Group and LCG Associates.

"By demonstrating their commitment to their clients and making a concerted effort to customize the service approach to best meet client needs, the Greenwich Quality Leaders have positioned themselves to be valuable—and valued—partners to institutional

investors,” says **Sara Sikes**. “This is especially true in times of historic volatility and stress.”

[Click here for the full Greenwich Report and list of 2019 Greenwich Quality Leaders in Overall U.S. Investment Consulting.](#)

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Five Factors Distinguish Best-in-Class Consultants from Average Practitioners

2019 Greenwich Leaders: U.S. Investment Consulting

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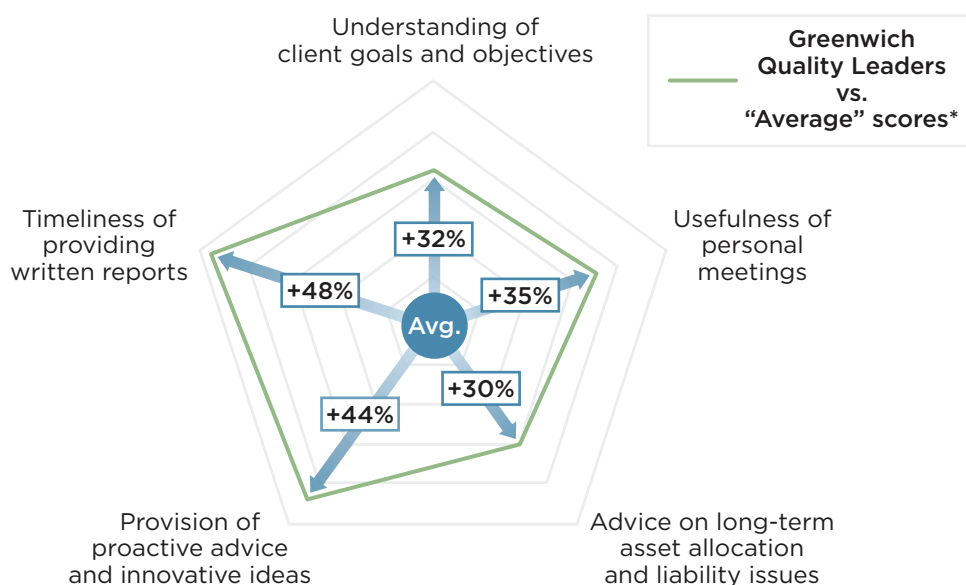
“That advice holds true at any point in the market cycle, but especially today, amid the COVID-19 pandemic, when institutional investors are dealing with unprecedented swings in global markets and are looking for all the help they can get,” says Greenwich Associates consultant [Sara Sikes](#).

Every year, Greenwich Associates interviews institutional investors across the United States and asks them to rate the quality of their investment consultants across a wide range of attributes and categories. Consultants whose client ratings top those of competitors are named Greenwich Quality LeadersSM.

Top Traits of Greenwich Quality Leaders in U.S. Investment Consulting

This year, we took a deeper look into the traits that separate Greenwich Quality Leaders from the rest of the pack. Five factors clearly distinguish best-in-class consultants from average practitioners.

GAPS BETWEEN “AVERAGE” AND BEST-IN-CLASS FOR FIVE KEY FACTORS U.S. Investment Consulting 2019



Note: GQLs include Marquette, RVK, and Segal Marco in the “Large” category and Angeles, ACG, and LCG in the “Midsize” category. *Scores for all six GQLs are averaged and compared against the mean 4Q score, which represents an “Average” evaluation from an institutional client.

Source: Greenwich Associates 2019 U.S. Institutional Investors Study

Not surprisingly, the five key factors fall into two related groups. The first two factors, which show the highest degree of differentiation between the winners and the average firms, relate to a consultant's commitment to the relationship, as demonstrated by their responsiveness to queries, promptness in reporting and proactive outreach.

Group 1: Relationship Commitment

- 1. Timeliness of Providing Written Reports.** Best-in-class consultants score 48% higher than the average consultant based on client scores for "Timeliness of Providing Written Reports." This represents the biggest differential between Greenwich Quality Leaders and the industry average, and reflects one of the most fundamental expectations that institutional investors have for their consultants. "Institutional investors have their own internal processes in terms of reporting to boards and other constituencies that are dependent upon the reporting provided by their consultants," says Sara Sikes. "So timeliness of reporting affects not only the inner workings of the organization, but also the ease with which the investment decision-makers working with and evaluating the consultants can complete their day-to-day jobs."
- 2. Provision of Proactive Advice & Innovative Ideas.** Best-in-class consultants score 44% higher than average in terms of proactively providing advice and ideas. This is one area in which consultants who crack the code can truly stand out from the crowd—especially now, in a period of historic market volatility. "Average client ratings for proactive provision of ideas and advice are the lowest in any category, suggesting that consultants as a group struggle with this characteristic more than other elements," says Sara Sikes. "So if there is a single thing a consultant can do to strengthen its relationship with a client, it is to reach out proactively with tailored and relevant suggestions or guidance—even if just to give the client something to think about."

The next three factors all relate to a consultant's ability or willingness to listen, research, understand a client's needs, and deliver advice specific to a client's unique situation.

Group 2: Understanding and Customizing the Approach

- 3. Understanding Client Goals and Objectives.**
- 4. Advice on Asset Allocation and Liability Issues.**
- 5. Usefulness of Personal Meetings.**

Best-in-class consultants score 30-35% higher than the industry average scores for all three of these categories. While the gap is not as large as those for timeliness and proactivity, it still represents a significant point of differentiation between the best consultants and the rest. That is especially true in the case of "Understanding Client Goals and Objectives," a factor that influences how well consultants function in other areas and often determines how consultants are viewed overall by their clients. For example, a consultant's understanding of client goals and objectives has a direct impact on the quality of its advice on asset allocation and liability issues. It also plays a role in shaping the perceived quality of in-person meetings, a category that incorporates a number of additional important attributes, such as quality of the ideas and advice delivered at the meeting and the perceived quality of the individual field consultants overseeing the client relationship.

2019 Greenwich Quality Leaders

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The following table presents the complete list of 2019 Greenwich Quality Leaders in U.S. Investment Consulting.

Greenwich Quality Leaders — 2019



Overall U.S. Investment Consulting

Large Consultants

Marquette Associates
RVK
Segal Marco Advisors

Midsized Consultants

Angeles Investment Advisors
Asset Consulting Group
LCG Associates

Note: Based on 1,100 interviews with institutional investors. Quality leaders are listed in alphabetical order.
Source: Greenwich Associates 2019 Institutional Investors Study

Consultants *Andrew McCollum, Davis Walmsley, Sara Sikes, and Susan Gould* advise on the investment management market in the United States.

METHODOLOGY

Between July and October 2019, Greenwich Associates conducted interviews with 1,100 individuals from 896 of the largest tax-exempt funds in the United States. These U.S.-based institutional investors are corporate and union funds, public funds, and endowment and foundation funds with either pension or investment pool assets greater than \$150 million. Study participants were asked to provide quantitative and qualitative evaluations of their asset management and investment consulting providers, including qualitative assessments of those firms soliciting their business and detailed information on important market trends.

The data reported in this document reflect solely the views reported to Greenwich Associates 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. Greenwich Associates compiles the data received, conducts statistical analysis and reviews for presentation purposes in order to produce the final results. Unless otherwise indicated, any opinions or market observations made are strictly our own.

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