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## ING Builds Sales Team for Elite Advisors

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By Tom Stabile

ING Investment Management<sup>1</sup> is building a special 10-member wholesaler team that is aiming squarely at financial advisors who focus on wealthy and ultra-wealthy clients. Unlike typical wholesaler units focused on a specific advisor channel or product set, the new ING team covers all of its offerings and works across wirehouses, multi-family offices, private banks, and independent registered investment advisors.

The manager began hiring for the unit over the summer and is nearly finished with the effort, says **Mark Spina**, senior v.p. and head of retail distribution for ING in New York. The firm runs \$240 billion in the Americas in both equity and fixed income strategies, offering about a dozen separately managed account (SMA) products and 60 mutual funds. Spina declines to break out the assets by investment vehicle.

"It was a culmination of experiences that our teams were having in the field as well as feedback from advisors, and it's really a mirror of what our client firms themselves are doing," Spina says. "In many cases they have taken extensive efforts to segment their respective books of business and to align clients with advisors and teams that are best equipped to meet the unique needs of that client, so we've taken the same approach with our distribution model in that we want our team to be segmented and aligned with the advisors and private bankers."

He cites efforts by firms such as **UBS Financial Services**<sup>2</sup> and **Merrill Lynch**<sup>3</sup> to create separate units within their advisor ranks that focus on investors with more than \$10 million in assets. "We've seen very strong interest and response from advisors," he adds.

Spina says that for now, the new team is working with the same product set used by its traditional 55-member wholesaler force that still is focused on individual channels and products within the broader advisor marketplace. But ING is looking at ways to "extend the product range" for the high-end team, especially to offer products of greater appeal to high-net-worth investors and that may have higher minimum investment levels, he adds.

Changing wholesaler tactics is nothing new, says **John Shields**, a principal who works out of Portsmouth, N.H., for **MainStay Consulting Group**<sup>4</sup>. "The investment advisors have a history of tinkering with the formula," he says.

The most common move of recent years was money managers shifting from a generalist wholesaler approach and instead molding specialists by product set, such as SMAs or variable annuities, or by channel, such as banks or wirehouses. Some of those moves were in response to advisors wanting the wholesalers to have deeper product knowledge, but more recently there has been "pushback" by brokerages and banks that don't like seeing four different "specialists" from the same manager coming to meet advisors.

ING's approach appears to be unusual, with few firms believed to have adopted a similar method. Earlier this year, **Natixis Global Asset Management**<sup>5</sup> began a somewhat analogous effort. It built on its retail wholesaler team by rolling out a new division that focuses on institutional client sales, aiming to offer specialists who can cover that company's range of 15 boutique managers when speaking to institutions and investment consultants.

"We haven't seen managers going down that path, but we think we'll see more firms start to think about it, says **Lee Kowarski**, a principal at **Kasina**<sup>6</sup>, a New York-based consultant focused on financial products distribution.

Focusing on the high-end advisors also makes sense for asset managers because wirehouses, bank trusts, and family offices are the inspiration, says **Michael Evans**,

president of Boston-based [FUSE Research](#)<sup>7</sup>. "There is going to be more acceptance [from distributors]," he adds.

And the advisors focused on high-end clients should appreciate a more tailored wholesaler approach, MainStay's Shields says. "They're not looking for the same kind of wholesaler who sells mid-cap mutual funds to the mass affluent marketplace," he adds. "They're almost looking for an institutional knowledge base. They start to look at the kinds of metrics used in a very sophisticated analysis of performance and style drift and the buy and sell disciplines. These are the kinds of things that an investment committee studies."

The effort at ING has involved a combination of training and hiring, including transitioning some experienced staff from the core wholesaling staff into a new role on the specialized team for high-end business, Spina says. There has been some restructuring of the traditional wholesaling team, but he declines to describe specific moves.

The new team has a tilt toward more experienced advisors with credentials such as CIMA and CFA designations or even an MBA degree, which in many cases has prepared the wholesalers to deliver more advanced capital markets insight and product knowledge, Spina says.

Kasina's Kowarski says managers planning to build a high-end wholesaling team should make sure that they have the right client base and product set to justify it. "Just because you focus on a particular audience doesn't mean you're going to be successful," he says.

Managers need to carefully assess whether building such a team makes economic sense, Shields says. "Most managers find they need to broaden out their distribution to make it scalable," he adds. "There is still a fairly finite group of these high-net-worth advisors out there, and it comes down to a numbers game of whether it makes sense to build the infrastructure."

Additionally, managers should not consider all high-end advisors to be monolithically interested in the same things, Kowarski says. "You can make some generalizations, such as they are less likely to want only basic product information, but you can't lump them all into one group," he adds.

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