

New Year's resolutions for fund managers

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Finally! The bad smell of 2021 fades away and the fragrant aroma of a new year, anointed with opportunity, teases our nostrils. It smells like roast beef and daffodils. Welcome, 2022, welcome. At this time of year, it can be customary to enter into a personal contract of sorts and set down a number of resolutions.

Have you made your resolutions?

If you need some help to get started with your resolutions, perhaps adopt (or adapt) some of these:

1. No more bad language

You, Dear Reader, are doubtless sufficiently professional and self-controlled that your communications are entirely cuss-free. But there is more to do: every time you find yourself wanting to write "proprietary deal origination" or talk about your "hands-on value creation strategies", stop. Not only are these terms horribly over-used, they do a poor job at communicating anything useful. *How* do you manage to find deals that others don't? *How* do you help improve the businesses you invest in? Give examples, be specific, and include the perspectives of others through video interviews, written testimonials and endorsements.

2. Lose weight

As well as taking more care over the words that you use, think about how many there are. There are few passages of text that can survive a careful edit, intact, and your writing will be more impactful if you just use fewer words. Investors are fed up of seeing fund presentations full to the brim with dense paragraphs of text. Lighten it up.

3. Say goodbye to toxic friends

Great advice for your personal life, but how does this relate to fund management? Simply put, there will almost certainly be individuals in your black book, Rolodex or fancy CRM that take a lot more than they give. Cut them loose and focus on those that have the ability and inclination to actually invest. And set clear boundaries: make sure it's clear what you will and won't do for your LPs. Just because you can completely reformulate the entirety of your performance reporting doesn't always mean that you should. Pushing back in a friendly fashion can help set more realistic expectations and allow you to focus on what you are supposed to be doing, rather than reformatting Excel sheets.

4. Read more

And you can start with these:

A decent proposition: how to explain what you do

The importance of brand guidelines for fund managers

Trying to sound smart is stupid

5. Exercise more

Bicep curls, crunches, and 5am riverbank runs can help keep your body performing well, but don't neglect your pitching muscles. Regularly practising short and long versions of your pitch can help it stay effective and up-to-date. Try running sessions where pairs sit across from each other, playing the roles of GP and LP, in turn. Putting yourself in the role of LP can help identify the "question behind the question" and help build empathy.

6. Take up a new hobby

Here's a big one: if your brand is well established and you have the team to do it, think about launching a companion fund to your core strategy. Multiple strategy investing (and the associated fundraising and IR pressure) is not just for the industry behemoths. Done well, it can allow your biggest fans to allocate more and draw in new investors that just love the fresh, new fund.

7. Drink more water

It's just good for you.

8. Learn a new language

Not French, Finnish or Farsi, but “Investor”. Making the effort to understand how your investors describe what you do and what makes you special (spoiler: it’s not “top-quartile performance”) is the surest way I know to help other LPs grasp it, too. Hire MJ Hudson or even someone else to run a perception study for you; clients tend to find them “eye-opening”.

9. Take more care of the environment

ESG, baby! If you aren’t already integrating environmental, social, and governance factors into your investment activity and your investor communications, you are now officially behind the curve (and possibly in breach of a number of EU directives). Get your act together and speak to someone who can help you catch up (and maybe poke your nose in front). ESG is not just for impact funds and ignoring its importance to investors will significantly impact your ability to attract and keep LPs.

10. Give yourself a new look

Is it time to think more carefully about how you present your firm to the world? Did your spouse/cousin/hairdresser’s poker buddy design your logo? Has your branding stayed the same, while your firm has evolved? It could be time to really think hard about everything from your logo through to your language. We can help.

Well, there are a few resolutions to get you started. 2022 can be a big year for you...go get it.

Tags: communications , CRM , fund managers , investor relations , language , LP , marketing , resolutions