



Natixis Carves Out Institutional Sales

Article published on Mar 5, 2008
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Natixis Global Asset Management has launched a new division to oversee institutional client and consultant services for its fifteen boutiques in the U.S.

Based in Boston, the new group aims to complement sales, client service and consultant relations efforts for large subsidiaries like Loomis, Sayles & Co. while substantially supporting the institutional business of small shops like AlphaSimplex, which the firm acquired in September 2007. The firm says it intends to provide “a single point of access” for investment options throughout the multi-boutique network.

The move strikes some observers as a different tack than other multi-affiliates have taken, but they say the division could help Natixis to maintain consistent communications with clients and consultants while expanding cross-selling opportunities.

The new group has been split off from a unit managing similar services for Natixis’s retail business. Peter Martin, former head of distribution for Natixis Global Associates, has led that retail effort and will take the reins of the new group as president of institutional services. He will report to John Hailer, president and CEO of Natixis Global Asset Management for the U.S. and Asia.

“This will extend our consultative, analytic approach used on the retail side of our business to the institutional side,” says Hailer, in a statement. “Peter has been critical to our success in the retail sector, and he is the ideal person to head up this new division.”

The new unit’s COO, Spiro Christopoulos, joins from subsidiary Natixis Global Associates International, where he has been a CFO responsible for the financial operations of eight global distribution offices.

Multi-boutique firms tend to emphasize the independence of their institutional units. BNY Mellon and Old Mutual conduct some institutional services at a centralized level but rely heavily on their boutiques to build and maintain direct relationships with clients. A BNY Mellon spokesman says the firm has “many different touch-points” that allow clients to choose how they want to be serviced.

A clearer example of that approach is Affiliated Managers Group (AMG), says Michael Slemmer, principal of Medfield, Mass.-based consultancy The Collaborative. AMG supports its boutiques with resources key to sales and marketing, “but they’ve left it very much in [the boutiques’] camp to have the interface with consultants and the institutional marketplace,” he says. “And it’s worked well for them.”

Attempts at centralization could disrupt similar efforts at the boutique level. “In most cases, the boutiques don’t want much to do with the holding company,” says David Eager, a partner at

strategic consulting firm Eager, Davis and Holmes, who has seen similar centralization efforts at large multi-affiliate insurance firms.

But Slemmer says the new division could help Natixis to bring its sales, consultant relations and client services efforts into synch across all boutiques. "In an incredibly and increasingly competitive marketplace, the brand control – the quality and the consistency and the efficacy of the message – is very important," he says.

The success of the new division could depend on the quality of professionals Natixis brings to the unit and the tangible benefits they can demonstrate to clients, says Eager.

From an investment management standpoint, Eager says the division boosts "opportunities to cross-sell and get more products on the table." Centralization might also allow Natixis to exercise scale, shifting its most talented professionals to the largest accounts across boutiques.

But drawbacks include the potential for the division in Boston to become disconnected from investment professionals in other cities. Eager says Natixis might consider placing professionals from the parent firm within the leadership of its boutiques to combat that effect.

And Natixis should assure clients that the new division won't make contact less intimate. The first time someone from the umbrella company shows up at a client meeting, he or she should bring along evidence that the new division has enhanced the level of service, Eager says.

"The key might be: Can they really upgrade the quality of the people that are in that role?" says Eager. "If they can make a major move of it, it can be a positive."

Natixis Global Asset Management was formed in 2006 by the merger of Natexis Asset Management, owned by French firm Banque Populaire, and Ixis Asset Management, owned by Caisse D'Epargne.

The firm's largest affiliates in the U.S. include Loomis, Harris Associates and Hansberger Global Investors, which manage a combined \$212.5 billion, according to the eVestment Alliance database. Most of those assets are institutional. Natixis has \$869 billion in assets under management worldwide, as of Dec. 31, 2007.