

## GLOBALEDGE TAPS MERCER, HUNTS INSTITUTIONS

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With an eye on gaining more institutional assets, third-party investment platform GlobalBridge has brought in outside help to teach their trust bank clients better ways to sell and market to smaller institutions. GlobalBridge has hired Mercer Investment Consulting to help with the launch of GlobalEdge, a new program for trust banks interested in gaining presence in the institutional space.

GlobalBridge is a Minneapolis-based third-party investment platform that targets the advisor channel. The majority of its clients are trust banks, whose advisors are typically used to dealing with high-net-worth clients.

As part of the new program, advisors from roughly 50-80 trust banks will participate in three annual conferences geared at teaching them the different nuances of pitching separately managed accounts to an endowment, foundation or pension, as opposed to a high-net-worth client. Mercer will also be on hand as a retainer – for an undisclosed amount of hours – helping trust banks when they have questions about the institutional marketplace that GlobalBridge can not answer.

At conferences, Mercer consultants will tackle such issues as asset/liability matching, writing stronger proposal responses and making a better presentation to a board of trustees, for example. “Our job will be to educate the bank trust personnel on the institutional marketplace,” says Doug Kryscio, the Midwest business leader for Mercer Investment Consulting. “Talking the institutional talk is something they’re not used to. It’s a different way to approach things.”

When an advisor has a question about whether they are answering an RFP question correctly, for instance, a Mercer consultant could be retained to look it over.

Kryscio says GlobalBridge is a client that paid them a retainer fee and that the two are not sharing in the profits or institutional assets that GlobalBridge could gain from the GlobalEdge program.

GlobalBridge says its new program will help trust bank advisors pitch to institutional clients with anywhere from \$5 million to \$300 million in assets. “There are around 70,000 clients and \$3 trillion in assets spread among institutional clients that fit those sizes. We’d like to get our share of those assets,” says Kelly Coughlin, GlobalBridge chairman and CEO.

Analysts of the advisory industry say that helping banks with their sales pitches could help trust banks cut into the institutional market if they offer open architecture and not solely their proprietary products. “I don’t see any reason why they could not reach institutional clients especially since registered investment advisors have done it with less means,” says Daniel Seivert, managing partner of investment bank and consultancy 3C Financial Partners. “The combination of the technology (at GlobalBridge) and the know-how of the RFP process (from Mercer) could be a valuable combination.”

But he adds that in general trust banks should first focus on better serving high-net-worth clients before they try to make the jump to gaining institutional clients. “They’ve been losing market share in the high-net-worth market,” he says. “It’s not because they’re losing business, but because they’re not winning new clients.”

Coughlin says each trust bank has access to small institutional clients through its own local presence. But many of those individual banks do not have the resources to train staff on how to pitch for institutional business. Coughlin says that GlobalBridge saw a benefit in helping those trust banks that use their platform, and that the firm would eventually see more assets because of the program. "By bringing together 50 to 80 banks that don't compete with each other, they can learn from each other and develop a list of best practices. That can then help them compete and win in the institutional market," he says.

GlobalBridge executives say they will have roughly \$1 billion in assets on their platform by the end of the third quarter. The firm hopes to grow its assets by 50% each year for the next three or four years and gaining institutional assets will be critical to that growth.

## ABOUT ECHELON PARTNERS

ECHELON Partners (ECHELON) was formed in 2001 to offer investment banking and consulting to a subset of the financial services industry known as "investment product developers and distributors" (IPDADs). Since that time, ECHELON's professionals have helped hundreds of senior executives envision, initiate, and execute a multitude of complex business strategies and transactions. ECHELON's business is making companies more valuable through delivering advice and orchestrating transactions. Accordingly, ECHELON measures its success in the enterprise value it creates for its clients. Companies that strive to outperform their peers choose to work with ECHELON because we are as passionate about their results as they are.

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