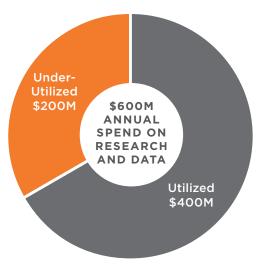# MEASURING RETURN ON BUSINESS INTELLIGENCE
A New Era of Research and Data Provider Usage

Verge Advisory's pioneering study into the use and value of external market intelligence providers brings transparency to this critical segment of the asset management industry that has never been explored. *Measuring Return on Business Intelligence: A New Era of Research and Data Provider Usage* introduces a new framework for assessing return on business intelligence (ROBI)—the overall value firms are receiving in return for their total spending on external research and data providers.

Under-Utilized $200M

$600M ANNUAL SPEND ON RESEARCH AND DATA

Utilized $400M

Source: Verge Advisory

Verge Advisory estimates $600 million is spent annually on research and data providers related to product and distribution, and that $200 million is under-utilized. Asset management firms cannot afford to purchase market intelligence they're not using and might never need. Demand for customized market intelligence has steadily increased, while many providers are still using outdated models. Asset management firms must evaluate their providers, operations and processes to address inefficiencies and unlock potential. When firms align effective market intelligence with their business strategy, they gain a competitive advantage in a dramatically changing environment.

What's your firm's Return on Business Intelligence (ROBI)?

To learn more about pricing and how this study can meet your specific needs, please contact us at **ROBI@vergeadvisory.com** or **508-654-0749**. Visit us online at **www.vergeadvisory.com**.

STUDY OVERVIEW

This study focuses primarily on how asset management firms are relying on research and data services for business decisions related to product and distribution. We base our assessment on substantive discussions with 60 executives representing about 55% of the Top 100 largest US asset managers, as well as leaders at research and data providers. Two in-depth proprietary surveys were also administered to firms using market intelligence. One key output of this quantitative effort by Verge Advisory is the industry's first comprehensive directory of 50+ market intelligence providers rated by usage and likelihood to recommend.

BENEFITS

Heads of Research, Marketing, Product, Sales, and Strategy		
Identify top market intelligence sources (paid and free) used by peers across six key categories.	Compare current providers to the study's list of 50+ providers and discover how they are rated by industry peers.	Optimize resources using benchmarking metrics across head-count, spending, organizational struc-ture, budget, roster count, utilization levels and more.
Market Data Services, Procurement, Finance		
Learn how market intelligence ecosystems operate and reveal areas of inefficiencies as well as opportunities for cost savings.	Understand best practices for a comprehensive portfolio review of providers.	

QUESTIONS ANSWERED

» *How do my market intelligence providers stack up?*

» *Which providers are most relied upon? Which are the hidden gems?*

» *How can I benchmark my practices and operations against my peers?*

» *How will market intelligence providers be impacted by Big Data?*

» *How can I incorporate best practices?*

» *What is my ROBI and how can I improve it?*

WHAT YOU'LL RECEIVE

» Industry's first comprehensive directory of 50+ market intelligence providers

» Electronic version of study

» Presentation-ready PowerPoint slides for all exhibits

» Discussion with analyst

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CHAPTER 4: PROVIDER USAGE SUMMARY

CHAPTER 5: INTERNAL MARKET INTELLIGENCE GROUPS

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Three sample exhibits follow.

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EXHIBIT 3.03
TOTAL MARKET INTELLIGENCE SOURCES BY USERS BY TYPE

SOURCE: Verge Advisory

ANALYST NOTE: Represents share of nearly 100 sources. Other includes client, competitors, panel providers, primary research, white papers, government agencies, B/D partnerships, data analytics firms, customer experience firms, investment software firms, global market/marketing research agency firms, software solutions firms, tech research firms, data science firms and more.

Highlights

» Users relied on nearly 100 discrete sources for their market intelligence needs of product, distribution, retirement, investor, institutional and international.

» Other indicated a wide range of specialty firms. These are listed throughout Top 5 tabular charts that follow in the niche segment.

Implications

» Slightly more than one-half of these sources fell outside traditional providers tracked by Verge Advisory, reinforcing the expanding number of information resources available to users.

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EXHIBIT 4.04
DATA FIRMS: INDUSTRY RATINGS SUMMARY

USAGE

Now	30%
Past	23%
Never	19%
Not Familiar	28%

LIKELIHOOD TO RECOMMEND (5 = highest rating)

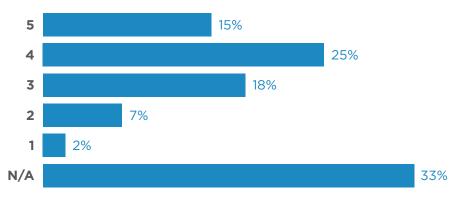|	
5	15%
4	25%
3	18%
2	7%
1	2%
N/A	33%

SOURCE: Verge Advisory

This study includes these two charts for each of the 50+ providers tracked in our research.

Highlights

» Respondents currently had working relationships with 30% (4 providers) of the total 13 data providers tracked by Verge, and they had used an additional 23% (3 providers) in the past. Although they had never used them before, they had familiarity with another 19% (2.5 providers) and were they were totally unfamiliar with 28% (3.5 providers) of the firms.

» Respondents gave recommendation ratings of 4 or 5 (highest) to 40% of data providers and 1-3 to 27%. The remaining balance of 33% was "N/A" (users had never used them or were unfamiliar).

Implications

» Users seem to show strong loyalty to data providers. They have current relationships with 30% of providers on our list while experimenting with a smaller 23% in the past. This ratio is flipped for research providers where users maintain a smaller roster now, but have experimented with twice as many firms in the past. Factoring into this dynamic is also the larger number of research providers (44) relative to data providers (13).

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EXHIBIT 5.03
MARKET INTELLIGENCE GROUP REPORTING STRUCTURE AT USER FIRMS

Marketing — 33%

Other — 19%

C-suite — 14%

Product Management — 14%

Strategy — 14%

Sales — 5%

SOURCE: Verge Advisory

Highlights

» Most market intelligence groups reported into marketing, with 33%. This was the most prevalent reporting relationship, followed by a three-way tie for second place between product management, strategy and C-suite.

» Other situations included instances where market intelligence capabilities reported into shared services or similar enterprise arrangement, in which the group reported into a person with combined responsibilities for sales and marketing or combined product and marketing.

Implications

» Verge expects increasing scrutiny into market intelligence reporting relationships.

» We anticipate more firms will continue to shift reporting structures away from marketing (especially if marketing is communications-oriented) or other parts of the organization and into strategy/C-suite to provide better visibility across the firm and leverage resources for strategic decisions.

"Clients buy, buy, buy research, but they don't read across it all to find out where the business is going."

—

SURVEY RESPONDENT

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ABOUT VERGE ADVISORY

Verge Advisory is the only research and consulting firm focused on business intelligence for the asset management industry. We are dedicated to optimizing your valuable market intelligence budget and aligning it with your business strategies. Independent and unbiased, Verge Advisory brings an objective view and proven quantitative and qualitative approach to every assignment to meet your organization's specific needs.

Verge Advisory is led by Andrew Guillette, a 30-year industry veteran who understands the issues and opportunities facing both the demand and supply side of asset management market research. Contact Andrew at **aguillette@vergeadvisory.com** or **508-654-0749**. Visit us online at **www.vergeadvisory.com**.

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