



## ARE YOU READY FOR DISTRIBUTION?

Northern Lights Distributors, LLC (NLD) believes successful marketing strategies require a thorough self-assessment during the distribution planning phase and frequent reviews to adjust accordingly. During strategy planning, investment advisors should seek to understand how to access their desired target client with focus on product placement requirements and expected activity. Gaining such understanding will help determine the best course of action to implement your distribution strategy and focus your time and resources in markets that are open to your fund opportunity.

NLD developed the distribution growth cycle model to assist investment advisors in matching their current distribution characteristics with potential opportunities, allowing managers to tactically develop their distribution plan to match. NLD identified four distribution phases: **Raising Capital**, **Emerging Manager**, **Growing Manager** and **Established Partners**. Each distribution phase has distinct characteristics, challenges and opportunities. The phases are defined as:

### FOUR DISTRIBUTION PHASES

**RAISING CAPITAL** – Investment advisors that have less than \$250 million in firm assets under management and a fund with less than \$100 million in assets. Fund may have less than a 1 year track record.

- OBJECTIVE - Funds at this phase are seeking to raise capital and raise awareness of their strategy
- CHALLENGES – Short track record, no Morningstar rating, conservative sales and marketing budget
- OPPORTUNITIES – Tactical, geographic sales activity within platforms, that are open to listening to a new story

**EMERGING MANAGER** – Investment advisors with approximately \$250 million to \$1 billion in firm assets under management and a fund with less than \$200 million in assets. Fund may have a 1 to 3 year track record.

- OBJECTIVE - Firms at this phase have garnered success raising assets and capitalize on that success to elevate awareness of their strategy
- CHALLENGES – Less than three year track record, at the cusp of Morningstar rating, moderate sales and marketing budget
- OPPORTUNITIES – With a young track record, broaden product placement within existing platforms and potentially expand to additional platforms. Increase activity in preexisting platforms through meeting participation and creating value add (i.e. intellectual capital)

**GROWING MANAGER** – Investment advisors with over \$1 to \$5 billion in firm assets under management and a fund with more than \$200 million in assets. Fund track record is 3 to 5 years.

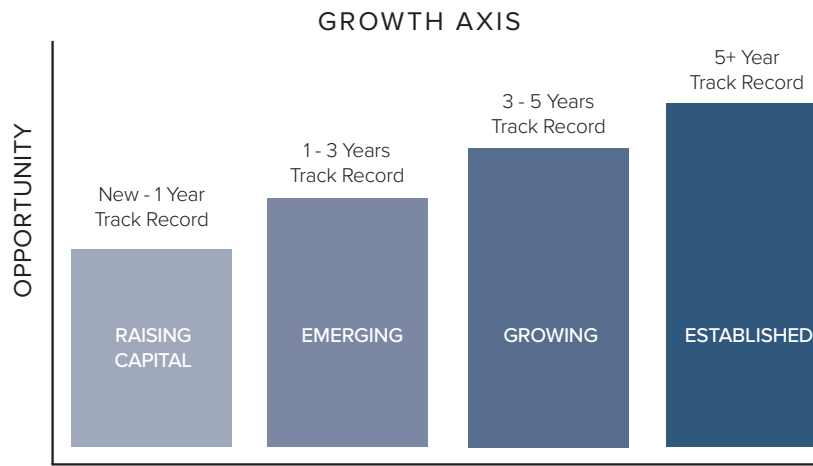
- OBJECTIVE – Firms at this phase have garnered success and are seeking deeper and broader platform placement opportunities
- CHALLENGES – Established competition, strategic sales and marketing budget
- OPPORTUNITIES – Broaden product placement within preexisting platforms, seek new distribution markets, and increase sales and marketing activity at the local, regional and national levels




**ESTABLISHED PARTNERS** – Investment advisors with over \$5 billion in firm assets and with a 5 plus year track record.

- OBJECTIVE - Firms at this phase have a solid footprint in the investment community, may be seen as a market leader in their space. They are seeking to deepen relationships and product penetration across programs and platforms
- CHALLENGES – Established competition
- OPPORTUNITIES – Increase activity in preexisting platforms, create new strategies, seek allocations within recommended programs and seek new platforms open to a proven story







## DISTRIBUTION GROWTH CYCLE



	 DISTRIBUTION PLANNING	 PLATFORM OPPORTUNITIES	 ACTION ITEMS
RAISING CAPITAL	Discover platform requirements Understand target market buyer behavior Create marketing resources Devise sales activity plan	Custodian National Clearing Self Clearing Independent Broker Dealers	<ul style="list-style-type: none"> <li>Assess market and peer comparison/ranking</li> <li>Determine value proposition</li> <li>Name "quick wins" distribution</li> <li>Establish broker dealer focus</li> <li>Define/refine business plan</li> </ul>
EMERGING	Discover platform requirements Understand target market buyer behavior Create marketing resources Devise sales activity plan	Custodian National Clearing Self Clearing Independent Broker Dealers Retirement Regional Broker Dealers	<ul style="list-style-type: none"> <li>Define competitive advantage</li> <li>Assess digital footprint and uncover potential areas for improvement</li> <li>Establish marketing budget</li> <li>Determine sponsorship events and other field activities</li> <li>Uncover new broker dealer opportunities</li> <li>Evaluate business plan</li> </ul>
GROWING	Discover new platforms Uncover/increase event sponsorship opportunities Increase sales activity	Regional BDs Retirement National BDs Banking	<ul style="list-style-type: none"> <li>Uncover new broker dealer opportunities</li> <li>Revise business plan</li> <li>Reevaluate current marketing strategy                      - Current areas of focus (white papers, online videos, webinars)</li> </ul>
ESTABLISHED	Seek new platform opportunities Increase event sponsorships Increase sales activity	National BDs Institutional	<ul style="list-style-type: none"> <li>Assess new potential strategies &amp; products</li> <li>Uncover additional engagement/exposure opportunities (trade shows, speaking spots, etc.)</li> <li>Explore keynote speakers with complimentary topics</li> <li>Discover areas of focus for industry events</li> </ul>

### NEXT STEPS

-  ● DISCOVER - Identify your fund sales cycle characteristics
-  ● PLAN - Review and revise distribution plan with your strategic relationship manager
-  ● PREPARE - Get ready for distribution
-  ● ACT - Execute your distribution strategy