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Advisors Name BlackRock as Most Accessible Firm

By Gerelyn Terzo November 30, 2012

Third in an annual multi-part series on the issues facing financial advisors.

Advisors navigating today's market uncertainty need to work more closely with fund portfolio managers, and **BlackRock** is the most effective at establishing such relationships. That's according to an *Ignites* survey that asked advisors to name the firms that provide the best access to investment professionals.

BlackRock's top 2012 ranking means the New York–based manager has held the top perch in all three years of the survey's history. Taking second place this year was **American Funds**, while the third spot was split three ways between **Legg Mason**, **Franklin Templeton** and **J.P. Morgan Funds**. Nearly 120 advisors from 20 firms participated in the *Ignites* survey, which included a write-in question on the firms that make their investment professionals most accessible. Advisors named a total of 39 firms, most mentioned only once or twice.

Most Accessible Firms

	2011	2012
1	BlackRock	BlackRock
2	Legg Mason, American Funds	American Funds
3	J.P. Morgan Funds, OppenheimerFunds	J.P. Morgan Funds, Legg Mason, Franklin Templeton

Note: Multiple entries indicate a tie.

A number of advisors also named BlackRock as the overall most helpful asset manager, in response to another write-in question. Pimco came in second place, American Funds and Legg Mason were tied for third, and a total of 42 firms were identified.

Advisors and experts say a perfect storm comprising the U.S.'s looming fiscal cliff, Europe's credit crisis and China's slowing economy is increasing the demand for responsive portfolio managers who can communicate clearly to both the advisor and their end client.

Aware of this trend, BlackRock focuses aggressively on offering thought leadership to financial advisors and end-user clients, whether through conference calls or subject-focused research, explains Hugh Hurley, III, managing director and chief operating officer for the fundamental equities (Americas) division of BlackRock's portfolio management group.

"The world has changed since 2008, since the financial crisis," Hurley says. "As a simple rule of thumb, the higher the volatility, the more that portfolio managers need to communicate with clients.… We feel an obligation to lay out the facts and share our thoughts with financial advisors and clients." The firm's client relationship managers, who are embedded in the investment team, facilitate the communication process by taking the product-strategy message directly to the advisor.

BlackRock's key communication methods include publishing a series of white papers and topical portfolio manager commentaries each month, as well as hosting quarterly meetings with advisors and end clients. "We pick topics that clients have an interest in. We lay out the facts of that particular topic and provide a broader view of how [clients] might position their portfolios to benefit," says Hurley.

BlackRock differentiates itself by having the BlackRock Investment Institute, which was formed in 2011 on the premise of leveraging the firm's scale to produce information not only for portfolio managers and institutional investors, but also for the retail market.

Legg Mason also performed well in all three years of the survey. The Baltimore-based manager ranked among the top five firms in providing advisors access to managers in 2010, 2011 and 2012.

Hersh Cohen, co-chief investment officer and senior portfolio manager at Legg Mason's **ClearBridge Advisors**, received personal accolades from advisors in the survey for making himself accessible. He is quick to credit his four-decade-long investment career as a key reason for his and ClearBridge's success.

He also attributes it to an ability to understand human nature. "Emotions drive a lot of investment decisions," says Cohen, who has a Ph.D in psychology. "My background is particularly helpful with extremes. I recognize behavioral economics based on things I learned in graduate school — peer pressure, social group conformity and game theory. People think things will go up or stay down forever."

For its part, ClearBridge de-emphasizes regimented approaches to client engagement. Investment professionals are available when called upon, and they remain nimble to respond to the economic and market fluctuations. For instance, ClearBridge portfolio managers participate in educational meetings held by brokerage clients and host advisors in the ClearBridge offices in New York, as well.

Franklin Templeton, which tied for third place in the survey, continues to verse its client-facing staff in the core tenets of maintaining strong advisor-client relationships. These qualities encompass "strong listening and sales skills coupled with relentlessly paying attention to the data," notes Dan O'Lear, VP and head of retail distribution, North America.

In addition to traditional tactics, O'Lear points to the influence of technology — for instance, the evolution of the tablet — in reshaping relationship dynamics.

O'Lear adds, "We're also leveraging technology to provide more access to portfolio managers. In addition to our broad online webcasts, our sales representative can bring an iPad into an office and showcase recent portfolio management successes," and also hold a video conference that portfolio managers can attend for a quick live chat with investors.

Anu Heda, partner at consulting firm **Naissance**, is not the least bit surprised by BlackRock's and Legg Mason's rankings in the results. "These asset managers have done an extraordinary job being advocates for the financial advisor community," he says.

It's critical for firms to be timely when providing advisors with information from portfolio managers and also to deliver it in the formats that they prefer, according to Heda. For example, some advisors might want to see portfolio managers explain the information through videos, while others would rather read it in blogs.

"Firms are still very fond of receiving white papers and market updates, but there is also a level of granularity that financial advisors receive from asset managers today that may not have been as prevalent five years ago," Heda says.

Click here and here to view the first and second articles in the three-part series.