



2007 Q3 Relationship Manager Quick Poll

The War for Talent



Summary of Results

Key findings from the Relationship Manager (RM) survey on the War for Talent

- 1 Culture and workplace environment, compensation package, and brand and reputation are the key drivers for attracting and retaining RMs. Culture is the leading motivator to stay at their current organization, while compensation is the leading motivator to move to another organization.
- 2 70% of RMs agree or strongly agree that a strong wealth management platform solution is critical when evaluating an employer, particularly when evaluating future opportunities, and especially for RMs over the age of 50.
- 3 CRM applications and administrative & compliance support were cited as the top components of a wealth management platform solution critical to an RM's success.
- 4 Breadth of products and services is considered the most critical characteristic of a wealth management offering to enable an RM's success.



Introduction

As expectations for revenue growth continue to intensify, many private banking and wealth management organizations are increasing their focus on attracting and retaining top Relationship Managers (RMs). This “War for Talent” has escalated to new heights, and understanding the key drivers behind RMs’ decisions to stay with their current employer or move to a new organization is becoming increasingly more important.

Presented in this report is a summary view of the results of our 2007 Q3 Relationship Manager Quick Poll on the “War for Talent”.

Objective of this Quick Poll

Our primary objective was to understand the drivers for attracting and retaining relationship managers from the perspective of the RMs within wealth management organizations. In addition we wanted to understand the importance they placed on the wealth management platform solution to be successful in their roles and which components of that solution they valued most.

Method

Using an online survey, we solicited the opinions of RMs of wealth management and private banking businesses through a short series of questions. We received 94 responses representing 11 organizations and appreciate the time and attention that was given by the participants.

Next steps

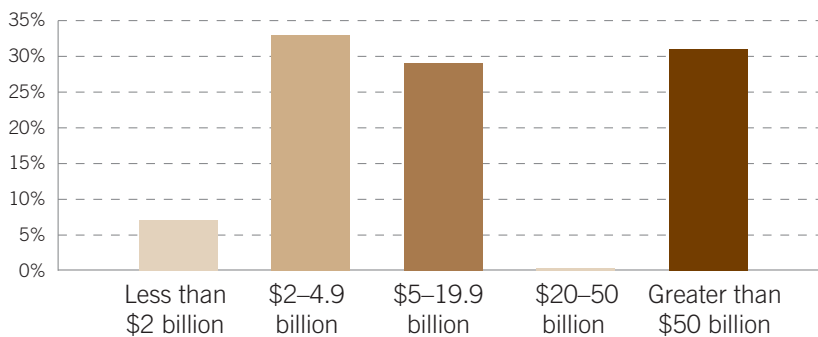
Within the coming months we will compare these results to those of the executives we polled earlier this year on the same topic. We will publish a research article later this year which will include in-depth analysis and commentary on the findings of both surveys. In the interim we hope you find these results valuable and informative.

If you have any questions or feedback, please contact your SEI Relationship Manager or email us at quickpoll@seic.com.

SEI surveyed a diverse group of relationship managers. The following information will provide a better understanding of this representative sample.

Q1

Please indicate the size of your Private Banking / Wealth Management organization (PB/WM org) by total client assets under management (USD).



40% represented firms with less than \$5B in client assets under management (AUM).

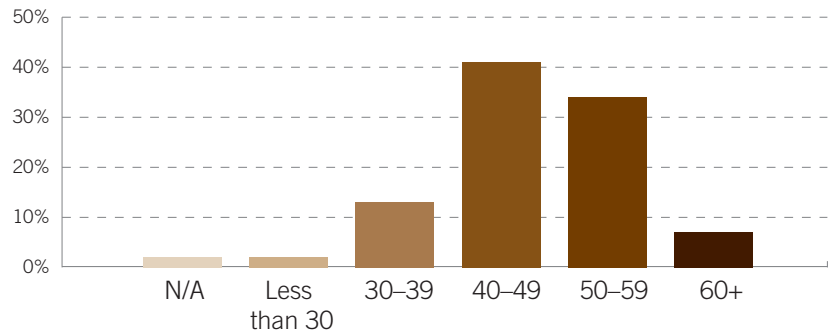
60% represented firms with greater than \$5B in client AUM.

Please indicate your age

Q2

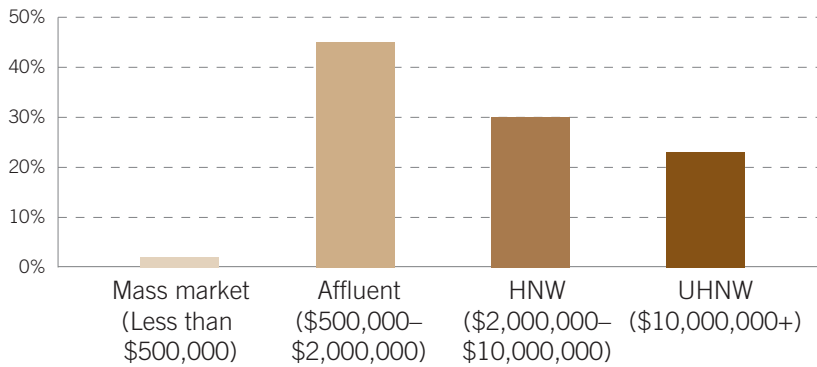
58% are under the age of 50.

42% are over the age of 50.



Q3

Which client segment do you primarily serve (based on total client net worth)?

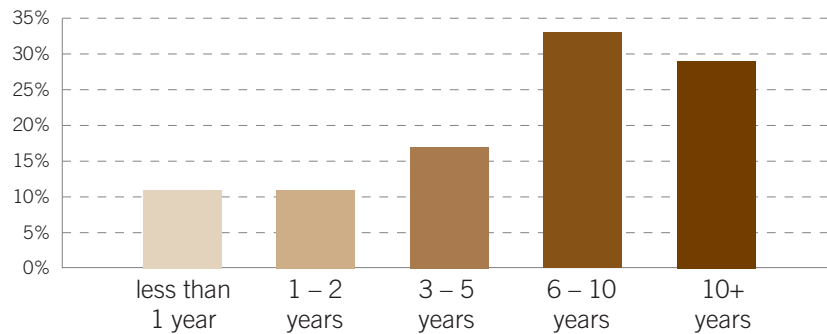


Some respondents who selected UHNW serve institutional clients instead of individuals.

How long have you been a relationship manager at your current firm?

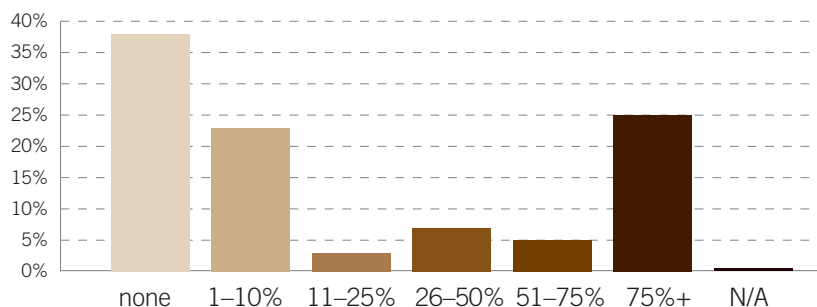
Q4

38% have been at their current firm for 5 years or less.
62% have tenure of 6 years or more.



Q5

When you left your previous firm, what percentage of your client's assets under management (AUM) were you able to retain?



Less than a quarter of respondents were able to retain 25% or more of their client's AUM when they left their previous organization.

35% of RMs are still employed by the organization where they first became an RM.

The majority of RMs continue to stay at their current organization because of culture, compensation, and brand.

Q6

Which of the following are the most important attributes that motivate you to stay at your current employer? (Choose top 3)

Percentage of Participants Who Selected Each Point of Differentiation as One of Their Top 3 Choices

Points of Differentiation	% of Participants
<i>Culture and workplace environment</i>	69%
<i>Compensation package</i>	56%
<i>Brand and reputation</i>	48%
Strategic business direction for private banking/wealth management	24%
Well-defined sales and relationship management process	19%
Wealth management product and services offering	17%
Other	15%
Wealth management platform solution (resources and technical tools available to help relationship managers perform their job)	10%
Access to new business leads	10%
Training and development programs	3%

There was 100% consistency in selecting culture, compensation, and brand as the top three (but in differing order) across firm size and RM tenure and age.

Compensation was cited as more important at larger organizations (68%) compared to organizations with less than \$5B in AUM (40%).

Culture and workplace environment was cited as the number one motivator by RMs at smaller firms (79%) while it was number two at larger firms (63%).

These were also the same three reasons they joined the organization in the first place.

Q7

When you decided to join your current employer, which of the following attributes were the most important in your decision making process? (Choose top 3)

Percentage of Participants Who Selected Each Point of Differentiation as One of Their Top 3 Choices

Points of Differentiation	% of Participants
Brand and reputation	59%
Culture and workplace environment	56%
Compensation package	53%
Strategic business direction for private banking/wealth management	26%
Other	17%
Training and development programs	15%
Wealth management product and services offering	14%
Well-defined sales and relationship management process	12%
Access to new business leads	11%
Wealth management platform solution (resources and technical tools available to help relationship managers perform their job)	7%

While brand, culture, and compensation were also the same motivators when joining their current organization, there was no clear favorite in total or across age, size, and tenure.

Within 'Other' the most commonly cited response was Manager or Management team.

Yet compensation would be the main driver behind a move to a different firm.

Q8

Which of the following would entice you to join another organization?
(Choose top 3)

Percentage of Participants Who Selected Each Point of Differentiation as One of Their Top 3 Choices

Points of Differentiation	% of Participants
Compensation package	83%
Culture and workplace environment	60%
Brand and reputation	37%
Wealth management platform solution (resources and technical tools available to help relationship managers perform their job)	26%
Wealth management product and services offering	25%
Strategic business direction for private banking/wealth management	19%
Well-defined sales and relationship management process	17%
Training and development programs Training and development programs	11%
Access to new business leads	9%
Other	5%

Compensation would be the primary driver to entice RMs to join another organization.

There was a significant increase in the role of compensation for RMs at smaller firms considering a future move (84%) compared to compensation as a motivator to stay at their current organization (40%), at the expense of culture and brand.

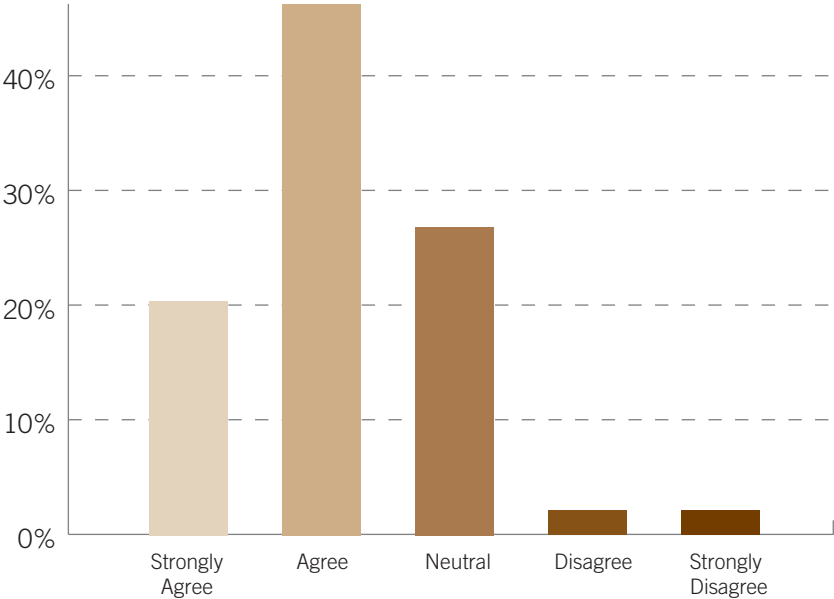
As RMs look toward the future, the WM platform solution plays an increasingly significant role in their decision (26%) compared to when they joined their current firm (7%).

The role of the WM platform solution was particularly important for RMs over 50 (36%) compared to their younger colleagues (19%).

A large majority of RMs believe a wealth management platform solution is critical in their employment decision making process.

Q9

To what extent do you agree with the following statement: “A strong wealth management platform solution was critical when selecting my current employer or would be critical if I were to evaluate another organization.”



Almost 70% of RMs agree or strongly agree that a strong wealth management platform solution was and continues to be critical in evaluating an employer.

This view is shared across organization size, as well as RM tenure and age.

RMs find Client Relationship Management (CRM) applications to be the most critical component of a wealth management platform solution.

Q10

Which component of a wealth management platform solution is most critical to your success?

Percentage of Participants Who Selected Each Component

Component	% of Participants
<i>Client relationship management (CRM) applications</i>	35%
<i>Administrative and compliance resources and tools</i>	17%
<i>Access to client information</i>	16%
Client reporting package	15%
Client advice tools	10%
Other	7%

CRM applications was the number one choice when looking across firm size as well as RM age and tenure.

The importance of CRM applications for RMs at smaller firms (42%) was more significant than at larger firms (30%) .

RMs who have been with their current organization for 5 years or less also placed more importance on CRM applications (47%) than their more tenured colleagues (27%).

RMs from larger firms placed greater emphasis on Admin and Compliance tools (24% vs. 8%) as did those with longer tenure (23% vs. 8%) and those over 50 (26% vs. 12%).

RMs find breadth of investment products to be the most critical characteristics of a wealth management product and services offering.

Q11

Which characteristic of a wealth management product and services offering is most critical to your success?

Percentage of Participants Who Selected Each Key Characteristic

Key Characteristic	% of Participants
<i>Breadth of product and services offering</i>	53%
Performance of investment products	14%
Innovative investment offerings (i.e. client goals-based investment strategies, alpha portability strategies)	12%
Offering sourced through best of breed third party partners	8%
Formalized client advice process	8%
Other	5%

Breadth of a product and services offering was considered to be the most critical component amongst participants.

Breadth of offering was favored more by larger firms (60% vs. 43%).

Investment performance was considered more critical by RMs over 50 (21%) versus those under 50 (10%).

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