

BDMs are a hot commodity

IFA cover story

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The life of a BDM is not for everyone who enters the industry, but many enjoy the lifestyle of constant travel and networking, not to mention the remuneration and the opportunity to learn skills needed in management.

For Colonial First State's Paul Barrett, the role of BDM is a pathway to a career in senior management. That's why when he is in hiring mode for a senior sales role, he rates highly the number of years a candidate has spent a BDM. Not only does the number of appointments with advisers dictate their experiences in the field, but the job also develops negotiating and influencing skills that can stand BDMs in good stead. "When you get into more senior management roles, the ability to interact with people is a critical success factor in one's career and for success of any business there is no better place to perfect those skills than in a BDM role," Barrett, who started his BDM career for Connolly Temple in 1998, says.

"The business development role has a lot to offer. It is basically one of the closest points to the customer, that is, the adviser, that we have. So in any role where you are close to the customer you have the opportunity to represent the brand of the organisation you are working for, an opportunity to influence the day-to-day perception of the company." Of course, the job is not for everyone. BDMs are on the road a lot, burning tyre tread and shoe leather as they beat a path from one adviser to the next or from one super fund trustee to another, depending on whether they work as a retail or institutional BDM. As a result, burnout is a common occurrence. "The level of burnout is higher than you might think," Barrett admits.

"Anecdotally, there is a reasonable level of burnout. People may come to me after three years of being a BDM and say I want a management role or a job in the city. That said, there are a large number of career BDMs who love that lifestyle, who enjoy the travel and the opportunity to get away." Eliza Weaving is one such BDM. She began in corporate superannuation 11 years ago with Prudential, working with advisers and asset consultants. After four years, she moved to MLC, then made the switch to retail with Axa. "I thought that you were selling a vanilla product in super. When I started out, there was a lot of opportunity and I was getting plenty of sales before it reached saturation point. In corporate super, you were dealing with the clients directly. It was hard work and the lead times were so long," Weaving says.

"With retail, you are working with advisers. You have got warm relationships. You are not so much dealing with clients and having to win them. The adviser has already done that and it's up to the adviser to work out where they want to put the funds. You are talking to an educated audience, which makes it a lot easier, so you don't have to start off with the basics." The self-motivated Weaving finds there is a lot to like as a BDM. She enjoys networking with advisers, dealer groups and others in the industry and counts many BDMs as good friends. She likes the variety and the travel.

Now with index manager Vanguard Investments as a BDM and key account manager, her travel encompasses Victoria and New South Wales. With a young baby, her family-oriented company understands her needs to be closer to home. She agrees with Barrett that the job can be relentless. "I think you will find there is a three-year cycle. The way people cope is by going to another organisation where they start over again. They then have another three years in them," she says. The role is certainly well remunerated. Financial Recruitment Group managing director Judith Beck says more senior BDMs are on a \$140,000-180,000 package plus bonuses, while junior BDMs start on about \$100,000. The average bonus paid last year was 50 per cent, though some BDMs made more than 100 per cent in bonuses.

Shaun Trumbull, head of retail distribution at the boutique Austock Asset Management, is another fan of retail, finding it more dynamic and complex than institutional. While Trumbull says the distinctions are starting to blur, he believes there will always be two delineated markets. "I think there is so much retail product in the market that people are trying to think ahead of the curve in product development. Retail is more complex than institutional in terms of facets that need to go together," he says. Trumbull gained his initial break in financial services by working for Tower Life as a case manager in risk. He then joined Count Financial as a practice development manager, selling services and assisting planners to make their business more efficient.

To broaden his experience across the industry, he decided to work in funds management distribution, joining Citigroup as a BDM in annuities. The retirement income stream products were accepted on just about every dealer group list. "It was a good grounding with annuities. I had to think more strategically about distribution because of the very homogenous product. It was rate driven with no differentiating features," he says. He then moved to IOOF Perennial as a BDM, specialising in the NSW market before taking up the Austock role. He has only praise for the BDM career path.

"Business development is a good training ground, helping to develop an ability to run a business. With any business, you have a product that needs to be manufactured and sold. Without the sales process, you can't build a profitable business. Being involved in the sales business allows you to be across every component of a business from product manufacturing to marketing to all sorts of different areas," he says. He believes the specialist trend will continue as people aim to be ahead of the curve in product development. "The industry is trying to find the next niche. Traditional asset classes like Australian equities are so saturated that for new entrants it is so difficult to differentiate yourself. I think product manufacturers will start talking to key clients and actually develop products with them."

This specialist trend means BDMs have to be even more market savvy, according to Schroder Investment Management head of sales Brian Scott. Scott says it takes a special person to merge funds management skills with investment banking skills and BDMs will require a high level of technical expertise to undertake their jobs as clients want to see specialists about specialist things. Most of Scott's experience has been institutional. He likes the challenging nature of the client base and the ability to work with intermediaries on intricate and complex deals. "It is not just pushing product; it is actually being able to build tailored solutions for clients that keeps you interested," he says. "There is an intellectual challenge and you are working with interesting people." But he does admit retail mediums "are experiencing the joy of working on solutions that used to be predominantly the ground of institutionals".

He regards the BDM career as a fast-paced role in an interesting and vibrant industry. He moved from Towers Perrin to a BDM job at Axa in 1996 and has since had roles with Colonial First State and State Street Global Advisors. "Even though I am now head of sales at Schroder, I still haven't left the BDM fold," he says. To maintain a balance in life, BDMs need to be disciplined, particularly if they have a family. Otherwise, your job can "swallow your life". "It's not a very friendly environment for family because of travel and the hours," Scott, who is married with three kids aged seven, 10 and 12, says. "It depends on how family friendly your employer is. You have to be disciplined to make time for all parts of your life and include your family as a priority. I always try to be home for one meal a day, either breakfast or dinner. That is one of my rules. I also try not to have days on end when I'm not seeing them."

Michael Negline believes that once a BDM, always a BDM. If you are running a business, then the RCM Capital Management country head says you are still a sales person. In the past 11 years, Negline has never really taken off his BDM cap except when he is at home with his wife and three children. He first pulled on the sales hat as a teenager, when selling televisions for a major department store. Negline first joined RCM after studying economics at university. He worked as a marketing assistant before becoming a BDM in 1999, enjoying the contact with clients and the chance to build relationships. He was lured away to a boutique for two years before returning to the RCM fold. He believes the lines of distinction between retail and institutional are merging. "I think they have the same prestige now. Ten years ago, institutional was the high end and retail was the low end. I don't think that applies anymore," he says.

Like Scott, he is disciplined about making time for his family, mapping out his work six months ahead. "I have three kids, aged six, eight and 10, and it is hard through the week as you tend not to see them as much as you'd like. Sometimes I am gone in the morning before they wake up and I am not home before they go to bed. My wife and I agree that Monday to Friday is for work and school then when the weekend comes we do things together as a family," he says.

He cautions BDMs about burnout, saying if they do not manage a career progression properly, there is the risk of boredom. "It is a pretty tough gig. It is probably the toughest market to do business in. A lot of offshore asset managers want to have a footprint in Australia. That makes it competitive. Also, there is a finite amount of time that prospective clients have to meet managers. You could after three years in the same role doing the same thing start to get antsy. Some BDMs love doing their job and do the same thing for years. Me, I am impatient and restless and I like to challenge myself frequently," he says.