

Using Institutional Alternative Investor Databases with CRM Applications

“Manage your investor prospects and clients from cradle to grave” is the mantra of the vendors selling customer relationship management (CRM) software in the alternative investment industry. However, nearly all fall short of this lofty promise. Currently, very few offer integration with the myriad third-party alternative investor databases available. Rather, to add investors to their CRM system, most marketers must first export the database records to the CSV format and then import them into their CRM software.

For many databases, this is a kludgy, time-consuming but useable workaround. However, this process robs dynamic databases (those updated in real time) of their *raison d'être*. Marketers purchase dynamic databases so they can automatically receive updates to investor information. Exporting database records to the CSV format disconnects the records from their live data source. No longer can a marketer's master database receive updates on a timely basis. The master database is also cut off from receiving fresh leads in real time. In other words, the dynamic database is rendered static.

When investor profile and mandate information isn't continually updated, it begins to age. In today's fast-moving world, this data becomes out of date quickly. To keep the information current, marketers find themselves forced to manually update their CRM system, which takes time away from marketing their funds—a problem they thought they solved by buying a real-time database.

This inefficiency needs to be addressed. Fund managers are clamoring for seamless integration of investor databases with CRM software. They are anxious to have the benefit of cradle-to-grave capability in their CRM system.

The issue for CRM vendors is that there are many investor databases in the marketplace. They would have to choose the databases with which they integrate, and even then there are challenges. Integration hurdles can be high depending on the products' ages and the software development languages and tools used to construct them.

Until CRM vendors engineer the integration between real-time databases and their software, fund managers should use platforms such as BHA's as lead-generation tools. Then, after their marketers have qualified a lead as a potential investor, they can move the database record into their CRM software.

When marketing a fund, it is most important to have fresh leads and up-to-date investor information. Move these records to a static system too soon and you miss out on this important benefit of real-time databases.