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Fortigent Bulks up Sales Team with New Hires

by Tom Stabile

Fortigent has added three senior business development executives in a bid to broaden its reach to any type of firm that advises ultra-high-net-worth investors. The turnkey asset management provider in Rockville, Md., plucked two of the new additions from SEI and one from Natixis Global Associates.

Tim Stinson and John Yackel left senior posts at SEI while Jeffrey Coron left Natixis. All three joined within a week of each other in July, says Gary Carrai, senior managing director for consulting and sales at Fortigent. Stinson and Yackel report to Carrai, while Coron reports to Scott Welch, Fortigent's senior managing director for investment research and strategy.

The three new senior-level slots plug into Fortigent's push to offer its platform to any organization that advises ultra high-net-worth investors across any channel, such as registered investment advisors, private banks, banks, family offices, multi-family offices, and advisors who break away from wirehouses. The three are managing directors and join four other executives on the business development team at Fortigent, which has \$18 billion in assets on its platform.

"Due to the consultative nature of our sales process, we need to bring in very high-caliber people," Carrai says. "We're thrilled to have them join in senior roles."

Stinson was a managing director and executive for product development, operations, sales, and sales management at SEI, which is based in Oaks, Pa. Yackel most recently was advisor business manager and director of sales for the Midwest region. SEI did not respond to a request for comment.

Coron, meanwhile, was a senior v.p. and director of specialty distribution in charge of sales, marketing, and service for institutional and private wealth advisors at IXIS Asset Management, which was rebranded Natixis in July after it merged with Natexis Asset Management of Paris. A spokesman for Natixis declines comment on the departure. Fortigent used Knightbridge Advisors and Kilcullen & Co. for the searches.

The move by Fortigent appears to strengthen what was already an established sales effort, says Bevin Crodian, CEO of Market Street Advisors, an operations technology provider based in Edison, N.J.

"It's a pretty experienced team already," Crodian says. "They're looking to grow their business."

Fortigent's focus on the ultra high-net-worth sector makes sense if its sales team can show how it offers tailored services, says Bing Waldert, associate director at Cerulli Associates, a Boston-based research consultancy.

"As you get up over the \$10 million level, the needs, the demands, and the complexity of the client grow dramatically," he adds. "That's the niche where they're trying to stand out."

The new trio will be reaching out directly to advisors and institutions serving high-net-worth clients. Stinson

oversees Fortigent's business development strategies, while Yackel also handles business development strategies and develops new client relationships. Coron's focus is in alternative strategies, where he works to expand market awareness of the firm's alternative investment research capabilities and products.

A big part of Fortigent's push will be to approach the market "from the client end first, and be truly agnostic on product," Yackel says. That ties into the various services that the firm has beyond the standard technological and investment advisory solutions that most turnkey platform providers offer.

One of those tools is a practice management advisory capacity, which Carrai says the firm built as a result of its up-from-scratch origins. Fortigent originally was the back-office, due diligence and technology arm of CMS Financial Services, a wealth management advisory services firm that was created in 1994 and acquired in 2001 by Lydian Trust. The former CMS was later split into two divisions: Lydian Wealth Management and Lydian Advisor Solutions. Lydian Advisor was spun off in 2006 into Fortigent, which has kept its focus on the type of ultra-high-net-worth clientele that Lydian Wealth had serviced, where typical accounts were above \$30 million.

"We grew a very successful wealth management firm, but we made a million mistakes along the way," Carrai says. "Now we leverage those experiences to help advisors on how to present to a client at a quarterly meeting, or prepare information for a pitch meeting for a client, or structure the service teams."

The task now for Fortigent is to stake a claim in the ultra-high-net-worth arena, where there is no clear leader and plenty of room to grow, Yackel says. Spreading the brand name will be the focus.

"Our role is to define it and dominate in the marketplace," he adds.

Carrai says a major goal for the new team is to stress Fortigent's ability to develop flexible solutions, a critical element in the ultra-wealthy business. Coron's role in particular will be important, because Fortigent's alternative investment strategies will be offered both as part of broader platforms as well as a stand-alone outsourced service to organizations that need focused help in that area.

"We have a history of 10 years now of managing due diligence for alternatives for the taxable investor," Coron says. "If you're a wealth management concern and you say 'We have long-only research, but we need alternatives,' the cost to staff that [from scratch] could be prohibitive. Outsourcing that segment could be extremely beneficial."

All three new hires say they are taking on roles that are substantially different from their most recent positions. Stinson says while the move is into a different market, he sees a big business opportunity in showing advisors and financial institutions how outsourcing can free them up for further growth.

"Many of our prospective clients have built their investment infrastructure internally and we have to show them they have an unknown and unmet need that outsourcing can answer," he adds.