



Financial Services

Recommend replacement products to advisors to drive sales

The Big Picture

Financial advisors, looking to add value to consumer investors, frequently rebalance their portfolios to keep with investor's needs for risks and gains. This presents an opportunity for asset management companies to intervene with financial advisors and recommend replacement products, often replacing an underperforming competitor product with a better performing proprietary product. A leading global asset management company needed to have a holistic, but quantitative, basis for funds replacement at scale.

Transformative Solution

The solution was to develop holistic framework analyses to evaluate fund attractiveness including returns, ratings, costs, advisor relevance, and other attributes. An entity extraction algorithm was applied to modularize and score the attractiveness of every owned and competitor fund held by financial advisors. K-means clustering and collaborative filtering was applied to map the relevance to advisors. Finally, a simple rule-based recommendation engine was put in place to score and suggest replacements based on incremental attractiveness.

The Change

POC identified an immediate opportunity of \$1.5B in incremental sales by replacing underperforming funds.

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