

How Strategic Planning Drives Growth in Real Asset Investment Management

By Heather Fernstrom, Co-Founder & Managing Partner, Alliance Global Advisors



Throughout my career, I have had the opportunity to view the real estate investment industry from several perspectives. My experience spans working alongside the LP community, building out global capital markets programs and now advising a diversified portfolio of investment managers representing over \$1.5 trillion in AUM, seeking strategic growth solutions. Across these roles, a common obstacle I've observed is that managers spend time developing a differentiated investment strategy but find it challenging to create a durable investment management business. Recognizing this challenge, I co-founded Alliance Global Advisors in 2020 to bring those perspectives together and help real asset investment managers approach growth more strategically.

Through our work with managers at different stages of their evolution, we have seen firsthand that investment performance, while essential, is only one part of building a successful platform. Sustainable growth also requires a clear understanding of the market, the needs of investors and the organizational capabilities required to support where a firm is headed.

Institutional investors are evaluating managers across a much broader range of criteria, from organizational strategy and governance to reporting, technology, talent and scalability. At the same time, managers are navigating changing capital sources, new distribution channels and increasing competition, all while operating in a dynamic capital markets environment.

Disciplined strategic planning provides a roadmap for both near-term priorities and long-term growth. It defines where a firm stands today, identifies where the market is creating opportunity and establishes the organizational priorities and capabilities needed to build a durable, scalable business.

Define Growth Through a Market-Informed Lens

Some of the first questions I encourage leadership teams to consider are fundamental: Why does our firm exist? What

truly differentiates us in the marketplace? Where are the greatest opportunities for growth? Where within the organization do we need to evolve? And are our people, processes and infrastructure aligned with where we want to go?

Strategic growth isn't always about becoming the largest platform or continually adding new strategies. For one manager, successful growth could mean becoming the leading specialist in a particular sector. For another, it may involve launching adjacent strategies, entering new markets or expanding its investor base.

In all cases, we encourage our managers to be intentional about the firm's growth objectives. Without a clearly defined long-term strategy, we've seen firms pursue opportunities that appear attractive but can create complexity or dilute the firm's true differentiators. New products, distribution channels, hires and strategic partnerships should be aligned with the firm's long-term direction.

Strategic planning provides the framework for deciding which opportunities deserve capital, resources and leadership attention and, equally important, which do not.

Build The Platform Ahead of Growth

Another common mistake we see is firms reacting to growth rather than preparing for it. Sustainable growth requires investment managers to anticipate what the business will need and build the organizational capabilities, infrastructure and resources to support that growth before they become constraints. Recognizing that talent is often one of the most critical pieces of that equation, we launched Alliance Search Partners to help investment managers build the teams and leadership capabilities needed to support their next stage of growth.

Investment managers understandably devote significant attention to investment performance and capital formation.

But institutional investors evaluate the organization behind the strategy as well. Governance, reporting, data infrastructure, technology, compliance, succession planning and operational controls can all influence how investors assess a manager.

These capabilities cannot be built overnight.

We have seen this play out directly: a mid-sized manager moved quickly to win a large separate account, only to discover its reporting and data infrastructure could not meet the client's requirements — straining the relationship within the account's first year. The investment strategy was sound; however, the firm's infrastructure was not sustainable.

Leadership teams should therefore plan for the organization they expect to become, not simply the organization they are today. Moreover, it is important for the executive team to be aligned with the longer-term goals and objectives of the platform. If a firm expects to manage significantly more capital, launch another product or enter a new distribution channel, its people, processes and infrastructure must be capable of supporting that ambition.

The strongest organizations invest ahead of the growth curve, building the capabilities they will need before growth exposes the gaps.

Understand the Capital Evolution and Long-Term Needs

Strategic growth planning cannot happen in a vacuum. Managers must continually understand how the capital landscape is evolving.

Institutional investors are reconsidering portfolio construction, private wealth is becoming an increasingly important source of capital for alternative investment managers and new partnership structures are creating additional opportunities for growth.

Investment managers are no longer competing solely with peers pursuing similar real estate strategies. Increasingly, they must demonstrate how their strategies fit within broader portfolios as investors are taking a closer look at a total portfolio approach rather than just evaluating their real estate allocation.

About Alliance Global Advisors



Founded in 2020 by Heather Fernstrom and Jennifer Stevens, Alliance Global Advisors is a women-owned consulting firm focused on developing strategic growth solutions for real asset investment managers. Advising clients with over \$1.5 trillion in assets under management, Alliance partners with organizations to provide an informed, independent perspective, continued education and innovative guidance on structuring investment products to attract evolving sources of capital in a competitive environment. Through this work, Alliance helps senior management teams strengthen decision-making, enhance institutional readiness and position their platforms for long-term value creation and performance.



Ongoing interaction with investors, consultants, industry associations and service providers can provide valuable insight into these changes. The objective is to understand where investor priorities are heading and identify where those priorities align with a manager's capabilities and long-term strategy. Understanding each investor's internal due diligence process, portfolio construction approach and strategic priorities is critical. With that insight, managers can better position their strategies and products to address specific portfolio needs and align with how investors are allocating capital.

Align Strategy with Execution

A strategic plan only creates value if the organization can execute it.

As investment managers grow, strategic decisions increasingly cross functional lines. A new investment product may require additional investment expertise, new reporting capabilities, technology enhancements, expanded distribution resources and different positioning with investors and consultants.

This is why our strategic growth work often extends well beyond the investment strategy itself. Helping managers prepare for growth requires looking holistically at the platform and determining whether its people, processes, products, infrastructure and market positioning are aligned with where leadership wants to take the organization. Governance becomes particularly important as complexity increases. Clear decision-making structures, accountability and communication allow firms to move efficiently while maintaining institutional discipline.

Make Talent Part of the Growth Strategy

Ultimately, even the strongest strategic plan depends on having the right people to execute it.

Leadership teams should assess whether their talent has the capabilities to execute the firm's strategy, relevant experience aligned with the investment products being brought to market and backgrounds and track records that reinforce the broader platform. Equally important is retaining key talent and developing the next generation of leaders.

Technology and AI are also reshaping the skills firms need, placing greater value on judgment, communication, creativity and strategic thinking.

Talent strategy and business strategy must evolve together to ensure firms have the right people in place to support sustainable growth.

Treat The Strategic Plan as a Living Framework

Markets change. Investors' due diligence efforts evolve. Technology advances. A strategic plan should provide direction while remaining responsive to change.

The strongest leadership teams establish clear long-term objectives and regularly revisit the assumptions behind them. They evaluate progress, identify gaps and adjust when market conditions or investor expectations change.

This is particularly important during periods of uncertainty. Strategic planning is not about predicting exactly what the market will do next. It is about creating an organization with the clarity and capabilities to respond effectively as circumstances change, while maintaining a clear understanding of the challenges investors are navigating.

After more than two decades in the industry, I have become convinced that sustainable growth comes from connecting investment excellence with organizational strategy. A strong track record may open the door, but long-term success requires leadership teams to think just as deliberately about the platform supporting that track record.

The investment managers best positioned for the future will be those that ground their growth strategies in market intelligence and a clear understanding of the competitive landscape. Rather than beginning with a predetermined path, managers should use market-backed insight to identify where their capabilities align with evolving sources of capital and where they are best positioned to compete. Just as important is understanding how individual investors evaluate and ultimately allocate capital. Those processes vary significantly by investor, and managers must understand the specific due diligence, education and investment committee requirements their target investors must navigate. With that knowledge, managers can more confidently define their path forward, provide investors with the information needed to advance opportunities internally and build their organizations to support sustainable growth.

If your firm is evaluating its next stage of growth, Alliance can help turn strategic priorities into a clear path forward. Connect with our team to learn more at connect@alliance-globaladvisors.com. 