Global Relative Value

Setting
• DTAM meeting to map out a strategy

Goal
• Increase assets under management from $97b to $300b by 2005
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Constraints

• Owned by CUB who demands 15% cash return

• In face of likely decrease in fees, must grow by 25% per year - or they will be fired
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Competitive Environment

• While DTAM meeting in Whisler, it is likely that ....
  ...FAAM is meeting in Sun Valley
  ...BAAM is meeting in Jackson Lake
  ...MAAM is meeting in Aspen
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Framework for Discussion

• Corporate-Level Strategy
• Business/Functional Level Strategy
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Corporate Level Strategy

• 25% growth implies they must win (that is, they must beat or at least match their best competitors)
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Corporate Level Strategy

• What will the winning firm look like in the asset management landscape of the early 21st century?
• What are DTAM’s competitive strengths?
• Are these strengths sustainable?
• What are DTAM’s vulnerabilities?
• Are they in a position to win? (Save to end)
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New landscape and winning firms
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Sources of current strength
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Future competitive position
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Vulnerabilities
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Business Level Strategies

• Enforce commonality across different areas? (I.e. have a single investment process for all areas)

• or encourage diversity?
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Business Level Strategies

• Strategic allocation within the firm: Should DTAM asset management bet that Asia will be the leader?
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Business Level Strategies

• Is the business organizational structure (units as defined) a plus or a minus in facilitating the achievement of the corporate goals?
• If no, what changes?
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Functional Strategies

• Assess each unit’s manager’s vision.
• Assess on-going strengths and weakness of each business area
• Assess the viability of the functional strategy to achieve functional goals
## Global Relative Value

### Asia

<table>
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<tr>
<th>Weaknesses</th>
<th>Strengths</th>
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Global Relative Value

Europe

Weaknesses

Strengths
Global Relative Value

US

Weaknesses                      Strengths
Global Relative Value

Quants

Weaknesses  Strengths
# Global Relative Value

## Economics

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Marketing

Weaknesses

Strengths
Global Relative Value

CEO/CIO

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Will they win?