

**Management Intervention strategies of asset  
management companies in Japan  
to enhance absorptive capacities for innovative  
fund products.**

**Thesis submitted in accordance with the requirements of the  
University of Liverpool for the degree of Doctor of Business  
Administration  
by Sean Shohei Matsuda**

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**Declaration**

**I, Sean Shohei Matsuda, declare that no portion of the work referred to in the thesis has been submitted in support of an application for another degree or qualification of this or any other university or other institute of learning.**

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## **Abstract**

The asset management industry in Japan is undergoing a difficult time. Management fees are declining every year to the extent that we are now seeing passive funds with zero management fees being introduced to the market. In Japan, there are currently 6,000 investment funds. The problem is that roughly 80% of these funds are not generating any profits after operating costs. Indeed, of these 6,000 funds, those that have balances of over JPY30 bn (also known as “hit” funds) only amount to 6.8% of the total. Loss-making funds are becoming a heavy burden on their promoters as the costs for maintenance and periodical regulatory reporting is heavy, irrespective of the size of the fund. The apparent solution is either to close those small funds – which makes investors unhappy – or to introduce more sustainable, innovative fund products.

The objective of the research is to find the most effective management intervention strategies to enhance an asset management firm’s innovation product absorptive capacity. Absorptive capacity in this thesis means the concept of a fund manager being able to recognise the value of new information, assimilate it and transform that knowledge into the creation of new fund ideas. In this research, I have engaged with CEOs of the elite and leading asset management companies (i.e. those with the highest hit product ratios) in Japan: two from large financial groups, two from foreign (global) companies and two from highly successful independent companies. I have also undertaken an extensive literature review covering the antecedents of absorptive capacity which has provided me with the academic concepts needed to explore the building of innovation capacity in asset management firms. These concepts generated questions which were asked of the various CEOs during a first round of interviews. The style of the interview was that of exploratory talk so that interviewees could emphasise what they regard as important for creating innovative fund products. After the first round of interviews, qualitative analysis of the interview data was undertaken, and nine actionable mechanisms were identified for building innovation capacity in asset management firms. These mechanisms were presented back to those CEOs for their critique in a second round of interviews. This research is an original analysis of the experiences and perspectives of CEOs of the elite and leading asset management companies in Japan, to generate potential solutions for asset management practitioners to enhance their ability to create innovative products in the future.

## List of abbreviations

<b>ABS CAP</b>	<b>Absorptive Capacity</b>
<b>BRIC</b>	<b>Brazil Russia India China</b>
<b>CEO</b>	<b>Chief Executive Officer</b>
<b>e.g.</b>	<b>exempli gratia (for example)</b>
<b>et al.</b>	<b>et alia (and others)</b>
<b>etc.</b>	<b>et cetera (and so on)</b>
<b>ETF</b>	<b>Exchange Traded Fund</b>
<b>Fintech</b>	<b>Financial Technology</b>
<b>i.e.</b>	<b>id est (that is)</b>
<b>ICT</b>	<b>Information and Communication Technology</b>
<b>MMF</b>	<b>Money Market Fund</b>
<b>R&amp;D</b>	<b>Research and Development</b>
<b>REIT</b>	<b>Real Estate Investment Trust</b>



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# CHAPTER 1 INTRODUCTION AND THESIS OUTLINE

## 1.1 Introduction

This thesis describes an action-oriented inquiry into the asset management industry in Japan conducted in 2018-2019. The study is to extend the body of knowledge on financial innovation and explore options for intervention by management to enhance the innovation capabilities of asset management firms in the fund management industry.

Until September 2016, I was Chief Executive Officer of HSBC Global Asset Management (Japan) KK, the Japanese arm of global bank HSBC. Before I changed careers to become a university professor, teaching finance for MBA courses at Hosei University in Japan, I held my post as CEO of HSBC Global Asset Management (Japan) KK for over 12 years, and was the longest serving CEO within the foreign asset management companies operating in Japan. While I had a fulfilling and productive time at HSBC Global Asset Management (Japan), I could not claim that I had achieved everything that I could have as CEO. There were some aspects of business, especially the element of product innovation, that I could have done better if I could have discerned the formula to successfully develop and deliver innovative products into the market. This reflection expresses my motivation for this thesis research project.

I have used my professional experience in the fund management industry, including that as CEO of HSBC Global Asset Management Japan, to identify and test relevant business-related assumptions or theories to identify those with potential from the less helpful ones. Of course, I did not intend to prejudge anything – as the spirit and intention of qualitative research methodologies should not allow such personal intervention. That said, my past experience did assist in identifying and building concepts and paradigms, assumptions on category relationships matrix, and establishing story lines for possible theories.

During the past decade, in the face of severe competition from new products promoted by other fund management companies, HSBC Global Asset Management Japan was amongst the leading asset management companies in Japan. It had a particular focus on emerging market funds as it launched the first blockbuster emerging market fund, its BRIC fund, in Japan 12 years ago. This triggered a subsequent boom of individual emerging market country funds such as the HSBC Chinese equity fund,

the HSBC Indian equity fund, the HSBC Brazilian equity fund, and HSBC Mexican equity fund in Japan. Later, HSBC had a further blockbuster success with the introduction of the Brazilian Bond fund in Japan. The relationships with major fund distributors were quite good as funds were created through collaborative communication between those distributors and our sales and product team members to best cater for the needs of investors. At their peak those star funds were in the top 10 funds by sales in Japan. However, in recent years, they have dwindled to a relatively small size and currently sit outside of the top 100 ranking in Japan.

The asset management business is largely knowledge-based. People buy funds based on their past knowledge, evaluation and assumption as to the growth potential of the fund. Of the 6,100 public retail funds in existence as at the end of September 2016 in Japan, the top 20 funds account for 25 per cent of the total value, the top 50 funds for 35 per cent, and the top 100 funds for 42 per cent. This means that the remaining 58 per cent of value is shared amongst the remaining 6,000 funds.

Very many of these unsuccessful funds are a drain on their sponsor company's profitability as the modest size of the fund does not bring in sufficient management fee revenues to pay for the underlying maintenance costs. Thus, the launch of successful funds is crucial for the survival of an asset management company. That being said, financial product innovation does not happen in a systematic manner, thus it is hard to plan for it. It is too optimistic to view the product innovation process as clear and simple enough to be explained by linear relationships of some known variables (Tidd & Bessant, 2009; Mulgan & Albury, 2003). In practice, product innovation in the fund management industry appears to happen more randomly and, in fact, through the process of trial-and-error learning (March & Olsen, 1975; Cohen & Sproull, 1991), or as a result of intuitive assessment by key individuals with influence within some companies. To make things more complicated, the effectiveness of investment fund products is usually dependent on the investment environment, including the cyclicity of economic boom and bust, and the tightness or slackness of the monetary environment. The decision, however, is not easy even for senior management at the most successful asset management companies.

The following section summarises the research context and explains how difficult the decision-making process is when choosing new funds which correctly anticipate future developments in the investment environment.

## 1.2 Overview of the Research Context

### 1.2.1 The global asset management industry

Firstly, it is important that readers understand the nature and challenges of operating an asset management business. This is important as the focus of this study is the asset management industry which needs constant introduction of attractive funds as there is consistent inflow into the industry from corporate and private sectors. Over the past 100 years, it is evident that the global economy is well managed and regulated as to expand in its size. There is more money flowing in for investment management and all the asset management companies are competing to have a piece of the fund flowing into the asset management industry from retail investors' deposits.

The recent announcement of the change of the chairman at Fidelity Investments ("Fidelity"), one of the largest asset management companies in the world, has been commented by industry specialists as being long overdue. Rumours of his departure started in the 1990s with a variety of potential successors being named. However, it was only in 2016 when the chairman reached the age of 85 that he finally retired. During this period, the business models for asset management companies underwent significant change and even Fidelity was forced to cope with rapid change. Undoubtedly, the outgoing chairman was the one who turned Fidelity into one of the undisputed market leaders with a significant increase in the asset base from USD3.9 billion in 1972 to USD1.2 trillion in 2020. His contribution included the establishment of a 24-hour telephone contact and operations centre to cater for the needs of investors wishing to buy and sell funds around the clock, along with the innovation of allowing investors to draw cheques against the Money Market Fund that Fidelity developed. Their blockbuster success was the Magellan Fund, which has shown significant growth not least as a result of the employment of star fund managers including Peter Lynch, who was the third fund manager responsible for the fund. That all said, during the past 10 years, business models in the asset management industry have undergone a dramatic change. Fidelity too was forced to resort to some evolutionary changes; not least of the challenges was the threat posed by passive funds (which track the share indexes), many of which have outperformed the active funds (that fund managers were actively managing on a discretionary basis). As a result, once the performance gap (net of commissions) became clear, many investors moved from active funds to passive ones. The emergence of Exchange Traded Funds (ETF) offering a variety of passive funds at real-time flexible prices accelerated the shift.

As a result, notwithstanding his personal commitment to actively managed funds, the outgoing chairman of Fidelity was obliged to follow the changes proposed by Abigale Johnson when she became CEO of Fidelity in 2014. These changes included entering into the ETF markets and reducing active fund management fees for the then key 20 funds that Fidelity managed. According to Morning Star, one of the leading fund research companies in the world, within the Fidelity group of funds, there was outflow of USD40.8 billion from the actively managed funds while there was inflow of USD28.3 billion into the passively managed funds. In comparison with the moves of major competitors such as Blackrock and Vanguard who focussed on the establishment and sale of ETFs at a very early stage, the move by Fidelity appears to have been far too slow. The learning from this is that constant innovation is necessary, even for a top-tier asset management company, in order to maintain sustainable growth.

### **1.2.2 The asset management industry in Japan**

The scope of this research is limited to the asset management industry in Japan. In order for me to guide readers through to the analysis and potential theories that have emerged during the study, it is important to explain the current situation in the asset management industry in Japan.

The Japanese asset management industry is different from that of the US or Europe. In the US, the industry is dictated by Independent Financial Advisors (IFA) who take a role to educate investors and recommend investment products for their clients solely from the viewpoint of the investor. IFAs are believed to be independent and neutral, and thus are seen as a reliable source of advice. IFAs have a role in educating their investor clients and helping them construct well-balanced portfolios to eliminate as much risk as possible. In Europe, in recent years, there have been a number of cases where individual investors have suffered loss due to the illegal sales of increasingly complex financial products. As a result, the importance of investor protection has been recognised and in the newest and most stringent European regulation – MiFIDII – the objective of ‘Strengthening Investor Protection’ was posted as one of its principal objectives.

Contrast that position with Japan, however, where regulatory protection is rather slack, and we see many cases where financial product sales teams are taking advantage of the ignorance of Japanese investors to increase sales and thus their profits. The fundamental problem that Japan has is that funds are sold by intermediaries including stockbrokers and banks which creates an immediate and

obvious conflict of interest. This (defective) approach to the sale and marketing of financial products is long established and has hindered the healthy development and growth of the asset management industry in Japan. It has been exacerbated by the movement of funds due to the regular sale of new (and existing) products to clients by their respective intermediaries (seeking regular trading commission income) and the consequential frequent switch of investments between funds, resulting in higher costs of investment. More recently, there have been some regulatory moves to address this position, but change is painfully slow. As a result, it has been important for asset management companies to develop and provide efficient investment products that are logical for investors to hold onto long term. More recently, there appears to be progress as intermediaries are beginning to move from a focus on obtaining sales commissions by introducing more and more funds, one after another, to allow investors to enjoy long-term high returns by holding a well-balanced portfolio which reduces the overall level of risk. Recent moves by the FSA to change the intermediaries' behaviour is gradually being understood by both distributors and asset managers.

Fidelity's influence in the Japanese market has been significant. It operates two of the largest funds in Japan, The Fidelity High Yield Fund and The Fidelity US REIT fund, both of which enjoy balances of over JPY1 trillion. US REIT investment trusts have enjoyed significant inflow in the past few years with the enthusiastic support of relatively conservative Japanese investors who are seeking stable returns. This trend was reinforced by the policies laid out by the Bank of Japan of maintaining negative interest rates; as a result, JPY2 trillion has been invested in REIT (US or Global) funds since the beginning of 2020. This has given rise to an aggregate balance in such funds in Japan to JPY8 trillion. The REIT segment currently accounts for 10 per cent of the total funds invested by Japanese individuals and Japanese investors account for over 10 per cent of the aggregate balance of funds invested in REIT funds in the US. With the expected change in financial and fiscal policies by US president Donald Trump, interest rates in the US were expected to rise which has resulted in relative returns and the attractiveness of REIT products being much reduced. The industry is now expecting a significant shift in funds flow into US Treasury securities from REITs and other funds with greater risk. Indeed, Fidelity announced the reduction of dividend yield from 100 yen against the par value of 10,000 yen to 70 yen then to 35 yen in 2017. This move is expected to accelerate the redemption by Japanese investors out of REIT funds which could affect the price of REITs in the United States. The once safe and reliable fund catering for the needs of predominantly retired Japanese is on the verge of significant and strategic change. Retired investors still need cash flow from a

relatively high yield fund to pay for living expenses, but a suitable replacement vehicle to fulfil that objective is still to be found.

Across the industry, it has been long believed that delivering good returns against the risks taken is fundamental to the success of any fund. It was considered that investors' individual cash flow needs were up to the investor to manage by redeeming elements of their portfolio as and when required. This long-held belief has proven false in Japan with the arrival of the Global Sovereign Fund, introduced by Kokusai Investment Trust Company in 1997. This became by far the largest blockbuster hit ever in the history of Japanese investment trusts, having reached a balance of nearly JPY6 trillion between 2006 and 2009 – accounting for over 15 per cent of the total retail funds invested in this period. The unique innovation challenged the traditional understanding and building in cash withdrawal features into the investment trust to cater for those requirements. The added value offered removed the need for investors to have to redeem units each and every time they needed money. I believe this, along with the arrival of the ETFs, was one of the most notable events in the asset management industry. That said, I have seen a lack of attention paid to innovation within the financial service literature simply because people were excited about the results and not the reasons for the success in introducing the Global Sovereign Fund. At this stage, we could attempt to analyse and find out the true cause of the problem and reasons for the success of this new product, but the attempts are only seen as a way to copy the product structure and introduce monthly distribution type of funds, one after another, irrespective of the asset class, i.e. only the distribution feature mattered.

The change in environment in the asset management sector in Japan has a significant impact on the boom and bust of investment trusts. One recent example is the Money Market Fund (MMF) which has ended its history of 24 years. MMF, a part of the primary vehicle to warehouse the idle uninvested money to enhance returns while securing liquidity, was forced to close due to the enormous difficulties it encountered since the inception of the negative interest policy by the Bank of Japan in the beginning of 2016. The stable returns the MMFs enjoyed during the past 24 years no longer exists once the JPY20 trillion aggregate balance declined to JPY2 trillion in 2014 and less than JPY100 billion in September 2016. Currently, the Money Reserve Fund (MRF) is replacing the MMF. Although the MRF is safeguarded against the fund return turning negative, there is a limit to the balance as regulation does not allow the balance of the fund to surpass the balance as at the end of last year. There is not much



hope that MRF will be the next star player fund to replace MMFs. The change in government policy affects the attractiveness of many products.

The most recent trend involves the trimming of management fees charged for active funds in an attempt to regain market shares. Rather than analysing each security individually, the new approach adopts a method called 'smart beta'. This is an investment method that applies different weightings to individual industries or equities with certain specific characteristics (such as small- and medium-sized equities in comparison with large company stocks) or cheaper stocks from the viewpoint of price against the book value of each stock. This type of fund performance gap is well known in the industry as a deviation from the Portfolio Theory by Markowitz. They simply follow the past analysis data of the effectiveness of investments, which normally deviate from the benchmark index weightings – blindly believed to deliver the optimum return against the lowest level of risks. This type of quasi-quantitative approach is now being considered by some of the industry players in an attempt to reduce costs and regain investors who left the active funds. Asset management companies are trying to find a secret formula for success through the technique of data mining. Data mining means that a certain correlation between one cause and one result is found without any prior reason. You may be able to take advantage of the ungrounded correlation but more importantly, you will be able to enjoy the better performance before anybody else is aware of the reason. Usually, the reason for the relationship could be found although it could be rather complex and multiple factors could influence one another to produce the result. Thus, the change in environment forces all the asset management companies to become innovative, without which their likelihood of survival may well be in doubt.

That said, developing a truly innovative, and thus disruptive, new fund product is not an easy task. As Nightingale (1998) denotes, invention starts with the desire to find the unknown starting conditions to unknown end results. Thus, the combination of the starting conditions and results are limitless, and a truly effective relationship is very hard to find. In the fund management industry, the desired result is that all investors would enjoy the highest returns relative to their taking a reasonable level of risk. However, how to create an innovative product to achieve this aim is usually the difficult and missing part. In this approach, the initial innovation process appears to be guesswork. Obviously, without the knowledge of where you can start your journey of exploration, the disruptive innovation is only achieved by chance. And if this happens

by chance, the only successful formula is that you increase the absolute number of trials and errors.

As a result, the only effective approach to enhancing the propensity of success by way of innovation is not by disruptive innovation but by way of incremental innovation. In the case of incremental innovation, the discovery process starts with identifying the gap in the existing operation (causal relationships to lead to hit products). With analysis of past practices, one can identify a potential variable or factor which is likely to lead to successful innovation. In this incremental approach to innovation, the key to success involves analysing the relationships between the product ideas and successful outcomes, and then replicating a success. This incremental innovation approach is by far more efficient in comparison with the (apparently) random trial and error approaches for disruptive innovation in fund products. The technical solution in this line of incremental thought is that the asset management company should increase the number of ideas created, aligned with past successful trajectories. Once such a trajectory is identified, the new fund product innovation process could become very efficient.

### **1.2.3 Financial industry innovation and recent trends**

This directional problem for disruptive innovation is quite fundamental. Finding the combination of an unknown starting point and favourable unknown result is extremely hard. Despite the plethora of writings on innovation, the number that include empirical studies, or that address disruptive innovation in financial products in particular, are limited in number, fragmented and not extremely dynamic. Some studies addressing incremental innovation in general, however, are informative and can be of some guidance. For example, there is academic research exploring product innovation in insurance and other financial services (McGoldrick, 1994; O'Brien, 2004). In particular, the paper by O'Brien (2004) concludes that there is no unique formula for success but that innovative firms tend to share similar characteristics. As a result, it is comforting to find that there are guidelines that firms can follow to improve their chances of success. There is other academic research exploring individual creativity mechanisms as well as organisational creativity mechanisms (Bharadwaj & Menon, 2000). Some researchers have focussed on the efficiency of product innovation (Stern & Whitemore, 1998), and others have evaluated product development performance from the perspective of organisational learning (Adams, Day & Doughery, 1998). Avlonitis et al. (2001) examined the successful and failing strategies drawn from the analysis of empirical research scenarios of the financial services industry. More recently, in

December 2017, the Department of Business, Innovation and Skills in the UK undertook qualitative research on the effectiveness of publicly financed debt products to support private sector innovation activity. Svetlana and Irina (2017) described the problems and challenges in promoting financial technologies (Fintech) to consumers. Further, Rajapathirana and Hui (2017) also identified economic, political, regulatory, legal, social and technological challenges that increase competitive pressures, thus constituting barriers to the development of successful innovation within the asset management sector.

These challenges are the reasons for the paucity of empirical research into disruptive innovation. In addition, it should be understood that the financial industry is a highly regulated one. As a result, no invention or breakthrough disruptive innovation is welcomed by regulators as it can make the current regulatory monetary controls ineffective. That said, the recent emergence of Fintech-related invention and the introduction of new, genuinely inventive ideas has begun to challenge existing territory- or country-based regulatory regimes. Fintech technologies such as block-chain and cloud funding are new opportunities for the financial industry with the potential to nullify the existing legacy banking system and financial control mechanisms available to central banks. There is even an argument by some Fintech entrepreneurs that the existence of central banks is unnecessary, illogical, and that they are an impediment to innovation. It is the rapid development of information and communication technology (ICT) which is the key development that has enabled such innovations as now proposed by several entrepreneurial companies in the Fintech space.

Innovation by itself is emergent, unpredictable, unprogrammed, uncertain, adaptive and self-organising (Greenhalgh et al., 2004). However, the object in reality is to develop this emergent uncontrollable innovation in an orderly, planned and properly managed way (Greenhalgh et al., 2004). This is made possible through the mental frameworks and cognitive property of individuals which they have acquired through experiences, when clarity is low and resources are slack (Garud & Van de Ven, 1992).

Innovation, as a complex science, is dynamic and unpredictable (Van de Ven et al., 2008). How innovation emerges and is developed has not been sufficiently scientifically tested or explained (Ahrweiler, 2010a,b). Due to the nature of the finance business, which fundamentally is uncertain and dynamic and which is also highly regulated, there has not been a great deal of scientific invention to test, whereas the

areas of diffusion and implementation of innovation have been the focus of many researchers.

As described above, the situation is dramatically changing due to the emergence of the Fintech revolution, which now challenges the established processes for many financial transactions such as managing and raising money, borrowing and inviting investment, remitting and exchanging money along with the holding of funds, and investigating the financial standing of companies throughout the world. All these services were, in the past, under the domain of banks, securities companies and insurance companies but are gradually falling under the domain of ICT entrepreneurs. This trend was inconceivable and inconsistent with desire on the part of each national government to regulate and control the money supply, which is relatively ineffective on Fintech. Regulators currently appear to be at a loss as to what to do with these emerging technologies. Even the definition of what constitutes a currency could be under threat and needs further scrutiny as the wrong definition could permit the *de facto* new money to be defined not as money but as goods which are used in barter transactions. Such a definition could result in Fintech companies falling outside the grip of central banks and putting them under other authorities, such as the Ministry of Economics and Trade, which have different, and most likely inappropriate, regulatory controls.

Therefore, it is clear that investment options available to individuals have widened, thus giving investors a variety of choices in making their investment decisions. This fact should be part of the consideration of those responsible for new product development at asset management companies. The opportunities for new fund development are being widened quite dramatically. I do not envisage a significant link between asset management and Fintech except for asset management companies establishing equity funds to invest in Fintech-related equities. Nonetheless, the direction of future regulation should be carefully monitored as there is the possibility, albeit small at this stage, that investing in electronic currencies such as Bitcoin will become an asset class for investment trust products. This issue, however, remains outside the scope of this research.

Thus far, I have explained the change in environment surrounding asset management companies. In the following subsections, I will elaborate on the nature of the day-to-day business problems that asset management companies are facing in Japan. These problems highlight the importance of building product innovation

capabilities in the asset management sector. These reflections, I believe, are researchable organisational problems, and shall be developed into research questions in the forthcoming chapters.

## **1.3 Nature of the Organisational Problem**

### **1.3.1 Identification of the problem**

Asset management companies that are unable to launch hit products for an extended period will struggle. To illustrate this problem, I will describe the situation at the company where I worked for 12 years as CEO. In essence, the heavy restrictions imposed by the US Congress on HSBC Group due to a money laundering issue had a significant, negative effect on the management culture of HSBC Global Asset Management (Japan) KK. New product developments and launches were discouraged by Head Office with a detrimental effect both psychologically and structurally throughout the organisation. Both the formal and informal systems to put forward creative ideas from both the sales team and the product development team became completely dysfunctional. It was evident that for the intermediaries (or banks and securities companies) in the fund distribution chain, asset management companies that cannot create new funds are economically ineffective. The voices of the investors could never be heard and we ceased to become their partner in finding the best investment solution for them. The production of new ideas became scarce. Efforts to collect information both within and outside HSBC became less frequent and the quality of new funds or new approaches declined substantially. Cooperation with major fund distributors ceased to exist and thus a key source of investor sentiment was lost. All this exacerbated the existing despondence of staff at other HSBCs to the extent that an air of detachment from reality pervaded the business. The consistently declining profitability of the organisation did nothing to trigger any meaningful change. While this applied to HSBC in this period, it was no less the case at many other leading asset management businesses operating in Japan.

The process could have been made a little more efficient through sense-making (Weick, 1988, 1993, 1995). Senior executives at HSBC Global Asset Management were fully aware of the problems outlined above. However, the absence of any blockbuster products for over three years made support from the wider HSBC group hard to secure, forcing a shift in management efforts to cut costs rather than focus on profit generation. Naturally, this made it even harder for the business to develop and

progress new product ideas for a launch. The consequences of these changes in management focus and administrative structure of the business made it extremely inefficient from the perspective of generating new ideas, part of the life-blood of the organisation itself.

### **1.3.2 Individuals unable to contribute - Sales team**

The other key input relevant to the successful development of new products was the market intelligence obtained by the sales team on investor appetite towards different asset classes. This was gained through their interactions with intermediaries such as the distributor banks and securities companies. Nonetheless, their primary role was to educate the sales forces at the various intermediaries so they could promote and sell funds with sufficient knowledge of the market and the product features and performance of the relevant funds. Unfortunately, due to the poor performance and financial results over prior years, pressure to reduce the headcount even in the sales team was high. As a result, there was no extra capacity for the sales team to adequately obtain intelligence on investor preferences. For sales executives, developing and maintaining relationships with fund distributors in the absence of a steady flow of new funds is a tall order. A fundamental rationale for interaction had been reduced significantly and relationships gradually deteriorated. Put simply, a much reduced sales team just does not have enough time or opportunity to be engaged in the most crucial element of a new fund creation process.

### **1.3.3 Concerns of key stakeholders**

Thematic concerns are a substantive area that a researcher focusses on for the improvement of intervention strategies (Altrichter, Kemmis & McTaggart, 2002). In broad terms, key stakeholders for the purpose of this research include individual investors, government regulators (Financial Agency), asset management industry representatives, along with specific asset management companies. The overall concern of stakeholders is whether the investment in time, effort and resources made for the purpose of developing and enhancing innovation capabilities by an asset management company will deliver benefits to that asset management company in addition to the asset management industry as a whole. One of the major frustrations for asset management companies in Japan was that even though there are capable people within the various product development departments, it was unclear whether effective intelligence was being provided from the investment teams or the marketing and sales teams. Thus, the adequacy of communication could be an area of concern.

In view of the anticipated concerns of stakeholders and following consultations with a number of CEOs in the asset management industry, I have developed a summary of core concerns and potential solutions:

- Possible lack of communication between the ultimate investors and product team members of the asset management company.
- Possible lack of communication between the product team members of an asset management company and fund managers of the same company or group.
- Possibly fragmented innovation strategy by different individuals.
- Possible lack of systems to identify optimum innovation ideas.
- Possible lack of suitable process and relevant skills within many asset management companies to stimulate appropriate innovation.

#### **1.3.4 Need for solution**

The burden on product team members who are primarily responsible for the successful launch of innovative funds are overwhelmed by daily risk management routines at HSBC Global Asset Management Japan. This is because their job responsibilities have increasingly focussed on due diligence to signify the appropriateness of fund structures on each and every fund operated by the business and those to be launched, one by one, in detail, from various perspectives; this is now required at least twice a year. I believe the added value from such due diligence activity is insignificant when compared to opportunity cost (in time and resources) which could have been directed towards the generation of innovative products. This disequilibrium is a significant cause for concern.

#### **1.3.5 Industry challenges and current problems**

Industry participants are struggling to enhance their respective abilities to create and launch innovative new funds that they need to survive. Each firm has its own strategies and inevitably there are different approaches. These might include changing organisational structure, outsourcing product development and planning to the global Head Office, changing job descriptions to motivate relevant staff, and developing a close connection with one or more intermediaries who have a strong understanding of what investors prefer for investment.

Overall, these and other solutions have not been particularly effective as there is an ever increasing number of fund products developed by Japanese asset management companies waiting 'on the shelf' to be marketed and sold. There is still a heavy reliance

on intermediaries to secure sales. It is not the quality of innovative funds but the marketability of the funds that appears to count. There are so many unique funds that appear unlikely to deliver better performance that are being sold by intermediaries. These funds are deliberately managed counterintuitively in order to attract attention but do deliver adequate performance to sustain the fund itself. These 'fanciful' funds are an excellent example of the unsuccessful funds that act as cost draggers to asset management companies in Japan.

The key benchmark for assessing the quality of asset management companies in Japan is what is known as the 'hit product ratio'. This is calculated as follows:

- the most recent number of funds over the size of JPY30 bn divided by the total number of funds launched.

Out of the six asset management companies selected, the hit product ratio ranged from 7.14% to 66.7% with average of 17.53%. As of September 2019, there were 396 funds over the size of JPY30 bn against a total number of funds of 6,151. This means the industry average hit product ratio is around 6.4%.

### **1.3.6 Justification for researching innovation practices of asset management companies in Japan**

In view of the above challenges concerning new product development in the asset management industry in Japan, the need for effective innovation strategies to be developed and implemented is clear. The justification for this research is that there is the potential that if only one asset management company should enhance and improve its competitive position through building more effective innovation capabilities within the firm, it might facilitate the emergence of a stronger innovation culture and climate across the asset management sector as a whole. There could be, however, asset management companies with more effective solutions than others. By identifying the strategies and action plans of those more effective companies and encouraging the others to take a similar strategy, the hit product ratio of the fund products is expected to improve. The degree of effectiveness is evaluated in terms of the hit product ratio of the newly established funds.

In view of the current difficulty that asset management companies are facing, it is imperative that some solutions are presented to improve the current situation. The



objective of this research, therefore, is to identify management intervention strategies to foster new product innovation. Such interventions are necessary to foster:

- ideal resource identification and allocation;
- most adequate organisational structure;
- most efficient organisational climate; and
- a system to facilitate product innovation by asset management companies in Japan.

### **1.3.7 Overarching research questions**

For this DBA thesis, it is important that this research question be practical, i.e. its answering should enable the identification of the most appropriate intervention strategies for companies to enhance their innovation capabilities. In view of the above, my overarching research question is: What organisational interventions will allow individuals to be more creative and the organisation to be more efficient in introducing new fund products?

Although (as noted above) financial product innovation cannot happen in a systematic manner, that is not to say that systematic organisational research of the problem cannot inform improvements for successful financial product innovation. Improvements in the organisational climate may be possible, which will enable shared perceptions with regard to the importance of innovation, and improve commitment of the organisation and collaborative communication that could facilitate successful product innovation. In reality, such an attempt has never been made by any of the companies in the industry in Japan, possibly due to fact that key individuals responsible for product generation are too busy processing daily routines to consider the key successful factors or the exploration of actions that could contribute to an improved climate of idea generation and successful fund launching. That all said, I shall proceed on the assumption that asset management companies have retained good organisational management intervention strategies to support the creativity of individuals.

In view of the current situation, consideration of the ideal climate needs to be made, including an organisational value communication system to foster innovation within the organisation by individuals and the support system to facilitate the positive shared perception amongst organisational members. What actions need to be taken to change the mindset of organisational staff to have them hold a strong belief and conviction that

brilliant, creative ideas could be supported and developed and that such performance would be duly recognised? What actions or interventions are needed to support such a process by HR or management? How could management change the negative mindsets of staff so that the organisation is now back in play for competition? How could interactions or communication amongst employees and distributors be encouraged for innovative idea production?

More specifically, the research required for this thesis needs to identify what resources, both physical and informational (knowledge-based), are needed to seed the product ideas and who is best to take on the role of creative idea production: a specific talented individual, a team or a task-team drawn from various departments, or all of the organisational actors? We need to identify what type of communication is needed within and outside of the organisation to test and refine the ideas for ultimate successful product launch. Which organisational actor is to take the intermediary communication role?

Measuring the success of financial fund product innovation by the size of the fund after the launch enables me to be objective in judging the scale of success in innovation. Successful fund products are quite visible as the number of units sold increases and the fund size grows substantially over time. Customer satisfaction is considered to have been represented and demonstrated by the number of units sold and is thus tantamount to the fund size. In my research, innovation is restricted to product ideas and not services or processes. Thus, the focus areas of inquiry are expected to be on the possible management interventions in the organisational structure and/or climate, i.e. organisational commitment, sharing of values for innovation and collaborative communication that supports the generation of innovative ideas by individuals.

## **1.4 Contributions of the Research**

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### **1.4.1 Contribution to business and industry**

As outlined above, the objective of the research is to identify intervention measures and actions by management necessary to foster ideal resource allocation, organisational structure, climate and delivery systems for efficient fund product innovation by asset management companies in Japan. My efforts will, therefore, be exercised to generate organisational solutions or intervention strategies to enable an asset management company in Japan to enhance their capabilities to generate

innovative product ideas by individuals, by enhancing the support from other colleagues and external parties to make the new fund development successful.

Through a review of the literature and empirical work to maximise the organisational value of the research, the strategic focus of individuals who are in charge of product idea generation will be identified. Key interactions and communications necessary to support idea generation will be identified to consider the most effective and efficient organisational structure to facilitate such communications. All these will contribute towards my recommendations for improvement. In other words, my intention is to understand the individual's inner thought processes to consider the optimum organisational arrangements to support idea generation by individuals. The focus will be on how management should intervene to enhance the capabilities of individuals and teams.

#### **1.4.2 Academic contributions**

This research is an action-oriented inquiry where dual objectives co-exist. These are, first, improving practice in the workplace and, second, contributing to academic knowledge through the development of new insights. From the academic perspective, the uniqueness of this research is that a management intervention strategy is considered on the basis that the success of fund innovation is accurately evaluated by the size of the fund. Moreover, as the research is conducted by directly interviewing the CEOs of leading asset management companies in Japan, their inputs are real reflections of top management strategic considerations. My previous position as CEO of HSBC Global Asset Management and the friendships I established during my tenure with CEOs of other top asset management companies enables me to hear candid and honest opinions from all of them. This type of relationship is rare to see for researchers or in normal management research, thus the honest and candid inputs from the elite CEOs are a quite valuable information resource. I shall also explain why I have chosen CEOs and not product managers or sales managers. My objective of this research is to find out the management intervention strategies to enhance the product innovation capabilities of the company. Product managers could influence their decision making surrounding their own area of responsibility, but their influence is quite limited to the nature and type of the product itself. Sales managers could opine on the customer wants, demands and relationship issues but little else. In contrast, CEOs are responsible for the totality of an organisation's activities and are thus very broad minded, covering the diverse areas of influence. In addition, they also understand the

extent of the effect and possible results of actions and influence once those are required. This type of self-assessment is not possible from middle managers.

### **1.4.3 Thesis structure and presentation**

This is an action-oriented inquiry, hence there is no definable destination of the research as is the case with a post-positivist paradigm. In this thesis, I will elaborate on the contextual details so readers will have some insight into the development of my thinking, and the change in conceptual models and methodologies that have emerged during the study. The emergent findings resulted from multiple iterations of a qualitative analysis of interviews with experts. The value of this approach will depend more on the subsequent application of the research results by those who participated or read about the study rather than the finding itself in a conventional sense (Watkins & Brooks 1994; Phelps & Hase, 2002). As was addressed by Stake (1994), researchers can only assist readers in constructing knowledge by reshaping and reconstructing through the activities of adding and subtracting, inventing and shaping the original knowledge that the researcher presents. This study was undertaken in two distinct cycles of interviews with expert practitioners. In each cycle, findings and theoretical connections are presented as emergent knowledge. The research findings of the first cycle became inputs for the second cycle.

An action inquiry proceeds through an iterative engagement with extant literature as the researcher obtains support for the emerging ideas, challenges and assumptions. Thus, as literature is reviewed from time to time in this document, it is reported in different sections progressively during the development of my thesis. Because literature contributes to developing thoughts and themes, the sporadic nature of the literature review process is both epistemologically and methodologically justified in an action research thesis (Phelps, 2002).

The overall structure of the thesis is summarised as follows: Chapter 2 will be the main literature review of theories related to organisational absorption capacities (hereafter ABS CAP) in generating new fund ideas and materialising it for commercial use. It also incorporates the justification for why the author has selected ABS CAP as the most important factor in influencing management decisions and strategies.

Chapter 3 will be the research design of this thesis. The empirical research has three phases of activity (and incorporates two cycles of engagement with expert practitioners). In Phase 1, the researcher will deploy qualitative interviews (informed

by the ABS CAP literature) with expert practitioners to build a rich picture of the problem (i.e. one that extends my own reflections). In Phase 2, a thematic analysis of the interview data will be used to elucidate the actionable mechanisms that express the logic relating to ABS CAP (and its constituent elements in this context) and improved new product (investment fund) performance. In Phase 3 I 'test' a review of my proposed actionable mechanisms with a second engagement with expert practitioners and the collaborative development of proposals for action will be undertaken.

Chapter 4 will narrate a rich picture of the problems of the industry as the experiences shared by industry participants are presented.

Chapter 5 presents the thematic analysis of the interview data and the construction of the actionable mechanisms relating ABS CAP to the production of new investment funds. The thematic analysis proceeds through the development of 'first order themes', 'first level aggregate categories' and 'second level aggregate dimensions' (Gioia et al., 2013). The aggregate dimensions derived through this qualitative analysis are deployed to produce generalisable and specific actionable knowledge concerning the intervention strategies for innovative fund idea generation of leading asset management companies in Japan.

Chapter 6 is concerned with the second cycle of interviews with the same expert practitioners. Participants' feedback on the analysis is obtained and described in this chapter. The significant responses by the participants are categorised and arguments are constructed for proposals for action. Some of the responses were as expected but there were quite a few others that were beyond my initial expectations.

Chapter 7 summarises the conclusions from the research, expressed as the contribution to and implications for professional practice at asset management companies. And finally, Chapter 8 covers my reflections on the whole research process and the implications for my own professional practice.

## CHAPTER 2 LITERATURE REVIEW

### 2.1 Introduction

In this chapter, I review the literature to provide the foundation for the intended research project. This chapter discusses the existing concepts in the literature in relation to the possible intervention strategies of an asset management firm to enhance product innovation capabilities. The literature review considers several critical elements to ensure focus and to offer an in-depth understanding of the concepts relevant to organisational innovation capability. In bringing together different threads from the literature, the review informs the subsequent empirical work to be used as a basis for conducting interviews with asset management CEOs seeking to respond to the requirement for innovation.

Through my preliminary reading, I found that the concept of ABS CAP is the most relevant to my research objective. Since innovation is crucial for the survival and prosperity of asset management firms, I have been looking for effective management intervention strategies to enhance innovation capability at firms. From the viewpoint of the relationship between various types of antecedent variables as a cause and innovation as consequence, there have been numerous empirical studies conducted in the past. Those antecedent variables could be broadly grouped into Environmental factors, Resources, Motivation, and Structure & Process variables (Amabile et al., 1998). Thus, the literature review for effective intervention strategies for successful innovation outcomes shall follow a logical sequence along with the above broad categorisation.

Co-evolutionary theory proclaims that the evolution of firms is the joint product of managerial intention (adaptation) and institutional environment (environmental selection) (Burgeois, 1984; Volberda & Lewin, 2003). Both of these could be deployed to develop management interventions. The theory adds the notions of multi-levelness and hierarchical nestedness suggesting that evolution occurs at multiple distinct levels (March, 1994; Baum & Singh, 1994). Subsequent studies suggest ABS CAP enables or restricts the level and range of exploration adaptations; thus firms can benefit from investing in ABS CAP to pre-empt changes in environment (Cohen & Levinthal, 1997; Lewin et al., 1994, 1999).

A review of the literature prior to the field research work is indispensable as it provides a framework for management intervention strategies that might be deployed

in response to the change in the external environment to enhance organisational innovation capabilities needed for survival. The literature review process is also used to refine the research questions, as well as design my field work including the nature and content of interviews. Through critical reading of the literature, I align my research with the most dominant notions of ABS CAP within current management literature. Accordingly, I will first examine the framework and theoretical foundation of the ABS CAP concept as well as some relevant concepts around the key antecedent variables from the point of view of management intervention strategy.

## **2.2 Absorptive Capacity**

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### **2.2.1 Definition**

The capability of an organisation to facilitate the creation of innovative knowledge for competitive advantage is called absorptive capacity. It is defined by Cohen and Levinthal (1990) as 'a firm's ability to recognize the value of new external knowledge, assimilate it and apply it to commercial ends'. ABS CAP is a function of the organisation's existing resources, existing tacit and explicit knowledge, internal routines, management competences, and culture (Gray, 2006). Put in more practical terms, ABS CAP is an organisational-level construct, meaning there is a limit to the level or quantity of technological or market demand information that an organisation can absorb and make use of for commercial purposes.

ABS CAP is used to explain innovation (Stock et al., 2001), competitive advantage (Cohen & Levinthal, 1989,1990), commercialisation (Lewin et al., 1999) and firm performance (Lane et al., 2001; Tsai, 2001). Cohen and Levinthal (1990) argue that ABS CAP affects expectation formation and the firm's aspiration level for commercial opportunity. This permits the firm to predict more accurately the nature of commercial potential of technological development (Benson & Ziedonis, 2009). According to Cohen and Levinthal (1989), ABS CAP has three distinctive functional processes: 1) to be aware of the value of external information, 2) to recognise and absorb it, and 3) to transform it into new knowledge and exploit it for commercial purposes.

ABS CAP needs to be understood from the viewpoint of its genuine functional activities as well as its antecedent variables, including all environmental variables, all resource variables, all cognition variables, all motivation variables, and all process variables. The forthcoming reviews will be conducted in this sequence.

### **2.2.2 Nature of functional activities of ABS CAP**

The functional element of ABS CAP is a knowledge accumulation process and related activities. Within the process, various dimensions have been suggested since the three original dimensions identified by Cohen and Levinthal (1990) of recognition, assimilation and exploitation. Cohen and Levinthal (1990) describe the process by incorporating various factors such as industry demand, price elasticity, competitiveness, scope of technological opportunities, ease of learning external knowledge, and propensity for knowledge spill-overs in the industry. These are realised in the form of willingness to invest in creating ABS CAP. The degree of willingness is influenced by the incentives for learning or R&D spending that accumulate knowledge capacity or ABS CAP of the organisation (Lane, Koka & Pathak, 2006). There is a feedback loop: ABS CAP leads to learning which leads to new ABS CAP, which is dictated by a firm's environment and its competitive position (Lane, Koka & Pathak, 2006; Ban Den Bosch et al., 1999).

The ABS CAP as a knowledge accumulation functional process appears to incorporate three distinctive functional elements. Firstly, innovative firms should have adept selection and processing mechanisms for external new knowledge. Secondly, they should have a system to share and integrate internally distributed knowledge. Thirdly, they should have a system to turn the integrated knowledge into commercial form and outcome.

Zahra and George (2002) define ABS CAP as a dynamic capability that cannot be separated from the organisational structure, system or process. They suggest that there are four dimensions: acquisition and assimilation, as part of potential ABS CAP (the external knowledge that a firm could acquire and utilise); and transformation and exploitation, as part of realised ABS CAP (the external knowledge that a firm has acquired and utilised). The four major components of ABS CAP as explained by Zahra and George (2002) and subsequent major discussions are detailed as follows:

#### **2.2.2.1 Acquisition capacity**

Acquisition capacity is a series of routines designed to screen and assess external knowledge and accumulate it to form a strategy (Zahra & George, 2002) and is gauged by intensity, speed and effort to gather knowledge (Todorova & Durisin, 2007). These efforts need to be promoted and should never be missed, otherwise the organisation would be unable to see or understand the potential of the new knowledge.



### **2.2.2.2 Assimilation capacity**

Assimilation capacity is a set of routines designed to facilitate the analysis and interpretation of external knowledge and is incorporated into the existing cognitive structures without any modification. The challenge in assimilating knowledge is how we could internalise the valuable external knowledge. The assimilation process is influenced by a firm's tacit and unique knowledge embedded in the firm's specific knowledge processing system (Lane & Lubatkin, 1998).

### **2.2.2.3 Transformation capacity**

Transformation capacity is a set of routines that facilitates the storage, recovery, combination and assessment of different expressions of knowledge (Zahra & George, 2002), and explains why and how organisations are capable of changing their cognitive schemas to absorb new knowledge that is less compatible with their prior knowledge (Todorova & Durisin, 2007). Todorova and Durisin (2007) argue that transformation is not a subsequent process of absorption but an alternative operative process exercised when the cognitive schema of prior knowledge is not compatible. Assimilation and accommodation through transformation are the alternative operative principles of learning depending on the compatibility nature of the external knowledge (Piaget, 1952). Both assimilation and transformation processes involve some degree of change of the new knowledge and its combination with the existing knowledge for proper adoption for innovation (Todorova & Durisin, 2007).

### **2.2.2.4 Exploitation capacity**

Exploitation is a set of routines used to incorporate and apply the knowledge to the processes of production and marketing, i.e. commercialisation. Rosenkopf and Nerkar (2001) indicate that exploration that is confined within the organisation generates lower impacts, while the impact is highest when the exploration crosses organisational boundaries. Studies on knowledge recognition and assimilation dominate the research field, whereas studies on knowledge exploitation are underrepresented, particularly for interorganisational knowledge transfer (Todorova & Durisin, 2007).

Acquisition and assimilation capacities are regarded as *potential* absorptive capacities where firms could explore sources of new knowledge. Potential refers to the new knowledge that enters the organisation and is yet to be assimilated or transformed. Transformation and exploitation are *realised* absorptive capacities to convert the newly acquired knowledge into commercial use (Zahra & George, 2002). As to the potential ABS CAP, Zahra and George (2002) argue that knowledge acquisition is a function of

knowledge intensity, information flow speed, information direction, level of prior knowledge and level of prior investments, whilst knowledge assimilation is understanding (i.e. interpretation and comprehension as well as learning) of external knowledge. The separation between potential and realised ABS CAP highlights the distinctive but complementary roles of both subsets (Zahra & George, 2002). Zou and George (2018) argue that potential ABS CAP or external knowledge of interest to the firm is dictated by prior knowledge and organisation mechanism coordination capabilities (e.g. cross-functional interfaces, participation and job rotation). With respect to the realised ABS CAP, transformation capacity is an internalisation and conversion of external knowledge, whereas exploitation capacity is application or use and implementation of knowledge (Zahra & George, 2002). Firms focussing on acquisition and assimilation of new external knowledge are capable of constantly renewing their knowledge stock (potential ABS CAP), whilst they suffer from the cost of acquisition without realising returns through exploitation. On the other hand, firms focussing on transformation and exploitation (realised ABS CAP) can enjoy short-term profits through exploitation but may face the exhaustion of ideas and competency (Volberda et al., 2010).

I would now like to look at the above functional elements of ABS CAP, i.e. selecting and processing of external knowledge, sharing and integrating the internally distributed knowledge, and converting and applying the new knowledge for commercial purposes.

Zahra and George (2002) argue that potential capacity provides firms with the strategic flexibility and the degrees of freedom to adapt in rapidly changing environments. By doing so, potential capacity allows firms to sustain a competitive advantage even in a dynamic industry. Academics and practitioners in the management of innovation refer to flexibility and adaptability in the context of responsive ABS CAP to similar concepts with different terms. For example, Teece (2007) uses the words 'dynamic capability' in expressing the same functional capacity as ABS CAP and explains it as organisational analytical systems to learn, sense, filter, shape and calibrate opportunities. Dubey et al. (2018) argue that adaptability is about meeting structural shifts in market conditions and being able to adjust organisational strategies, adopt technologies and/or products without having ties from legacy issues.

The four functions of ABS CAP (Zahra & George, 2002), i.e. assimilation, absorption, transformation and exploitation, are dynamic capabilities incorporating both coordination and integration capabilities. More specifically, all related functional

activities, i.e. analysing, interpreting, understanding (Szulanski, 1996), screening, acquiring, storing, recovering, distributing, combining, assessing, developing, defining (Zahra & George, 2002), converting, creating and modifying to respond to the external new stimuli of knowledge and insights are all part of the idiosyncratic activities of ABS CAP. The question here is whether these adaptive and flexible capabilities could be subject to management intervention or not. With respect to these specific dynamic capabilities, I would like to see if management interventions can be designed for enhanced ABS CAP or not in this literature review.

The firm-specific processes, i.e. integration, reconfiguration, renewal and recreation are necessary functions for innovations/strategic initiatives to materialise. These are quite ambiguous in their true sense of functions as these are processes recognised ex post predominantly cognitively rather than prepared ex ante. Kraatz and Zajac (2001) note that whilst the concept of dynamic capabilities is appealing, it is rather vague and elusive, and thus far has proven largely resistant to empirical observation and measurement. Further, Newbert (2007) argues a low level of support for a limited subset of empirical tests employing the dynamic capabilities approach. The ambiguous nature of the firm-specific dynamic capabilities would have ensured that there is no sufficient empirical support for the dynamic capabilities (Barreto, 2010).

Predominant empirical study approaches, as well as the definition of Cohen and Levinthal (1990), are static and fail to capture the progressive, lagged and path-dependent nature of ABS CAP (Volberda et al., 2010). Innovation per se is not necessarily path or history dependent, but development of ABS CAP to enhance innovative capabilities is path dependent and cumulative (Cohen & Levinthal, 1990). Thus, through management intervention, ABS CAP for incremental innovation could be enhanced to provide stronger innovation capabilities as part of the competitive edge. For us to capture the dynamic nature of the construct, it is necessary to apply a longitudinal research method incorporating feedback loops (Volberda et al., 2010). Although a few empirical approaches including ones by Feinberg and Gupta (2004), Lenox and King (2004) and Lane et al. (2001) are consistent with this approach, they have a limited number of variables and factors in their studies.

Thus, from the viewpoint of managerial intervention, only factors supporting or facilitating these functions by means of the setup of individual, managerial and organisational antecedent variables would matter. With respect to the potential antecedent variables of innovation, I would like to see if those are subject to managerial

intervention for enhanced ABS CAP or not. As an extension of the dynamic aspect of knowledge accumulation, the potential/realised distinction by Zahra and George (2002) highlights separate but complementary roles of both subsets of ABS CAP (Volberda et al., 2010). The manner in which the managerial intervention strategies on various antecedent variables could influence both potential and realised ABS CAP needs to be explored. In the asset management industry, the cost of acquisition and assimilation is relatively low as the cost of R&D is quite minimal. This unique situation could shed light on the management intervention strategies within the unique environment, i.e. absence of the cost constraints for R&D development.

### **2.3 Salient Antecedents for Enhancing Firm ABS CAP**

As stated previously, our current understanding is that ABS CAP is linked to a set of organisational routines and strategic processes, i.e. 'antecedent variables' with which asset management firms acquire, assimilate, transform and apply external knowledge to become better at what they do. Asset management companies are concerned with how they innovate in fund product offerings.

Understanding the firm's level of ABS CAP, eliminating the weaknesses and enhancing every dimension of ABS CAP are necessary courses of action. The key is the antecedent variables of ABS CAP. Those possible antecedent variables could be broadly categorised into environment-related, resource-related, motivation-related, and structure- and process-related variables. This literature review will follow that order and each conclusion discusses whether each can be relevant to the management intervention or not. Only those relevant antecedent variables will be explored and examined through the research as they directly relate to the level of ABS CAP of a firm.

#### **2.3.1 Environmental variables**

Environmental antecedent variables include competition, turbulence and similarity between two firms, and are analysed in this order.

##### **2.3.1.1 Competition – not relevant**

It is generally understood that competition fosters innovation (Utterback, 1974) by providing firms with exposure to new ideas (Kimberly & Evanisko, 1981). A highly competitive environment pressures managers to explore superior alternatives for survival (Becker & Dietz, 2004). Aghion et al. (2005) have found an inverted-U relationship where laggard firms are discouraged from innovating while close

competitor firms are encouraged to innovate. Thus, overall, the competition–innovation relationship is positive. However, the competitive environment is not controllable or cannot be interfered with by management, thus it is not relevant to this research.

#### **2.3.1.2 Turbulence, uncertainty – not relevant**

Market uncertainties provide a stimulus to innovate. Turbulence forces organisations to search for and process information from the turbulent environment and search for potential opportunities (Han, Kim & Srivastava, 1998; Atuahene-Gima, 2004). Hence, the uncertainty–innovation relationship is positive. That said, the uncertainty of the environment is not the subject of intervention by management, and thus is not relevant to this research.

#### **2.3.1.3 Similarity between two firms – not relevant**

Firms may have similar opportunity and capacity to learn from competitors and other organisations (Lane & Lubatkin, 1998). A firm’s ability to learn from another firm depends on their similarity of knowledge bases, organisational structures, compensation policies and dominant logic, i.e. primary organisational problems (Lane & Lubatkin, 1998). Cohen and Levinthal (1990) argue that learning depends on the degree of knowledge overlap between two parties. There is a tendency by firms to pursue knowledge locally rather than extensively (Rosenkopf & Almeida, 2003; Nelson & Winter, 1982).

ABS CAP learning includes the absorption of knowledge from the interorganisational context (Lane & Lubatkin 1998; Lane et al., 2001, Benson & Ziedonis, 2009). When knowledge is transferred between firms, R&D is less relevant as similarity of firms would facilitate the speed of absorption. Lane and Lubatkin (1998) introduced the term ‘relative ABS CAP’, saying that companies are increasingly relying on the knowledge acquired from competitors or other companies to facilitate the development of their own ABS CAP. Thus, knowledge could be obtained within the organisation, outside the organisation, and even from competitors.

As previously described, the absorption process could be succinctly described as recognition, assimilation and utilisation for a direct positive link to firm performance (Lane et al., 2001). Indeed, the similarity with external organisations could enhance ABS CAP, but this is never a subject of management intervention strategy *ex ante*. It can be concluded that the types or characteristics of knowledge, the similarity of knowledge structure, familiarity with organisational problems, and similarity of

compensation practices are all incidental and are not subject to management intervention when we assume the seed of innovation comes from diverse sources.

In sum, all the above environmental antecedent variables are just incidental ex ante conditions and not subject to management intervention, and are thus outside of the coverage of this thesis.

### **2.3.2 Resource variables (knowledge related)**

Strategic management theorists and practitioners have long acknowledged that a source of competitive advantage is scarce and it is difficult to replicate resources (Hofer & Schnendel, 1978; Ansoff, 1979; Barney, 1991, 1995;). Resources are tangible and intangible assets used by companies to implement strategies. Penrose (1959) defines a firm as a collection of productive resources, the disposal of which is determined by administrative decisions for optimisation by the firm from time to time. The Resource Based View (RBV) has, as its central focus, the exploitation of a firm's superior resources to gain efficiency and effectiveness, and hence sustainable competitive advantage, for superior performance cumulatively over time (Barney, 1991; Peteraf, 1993; Wernerfelt, 1984). Barney (1991) defines firm resources as: 'all assets, capabilities, organisational processes, firm attributes, information, knowledge, etc. controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness'. Firm-based resources may be tangible or intangible. Tangible resources include physical assets such as cash, properties, machinery and plant, financial resources, and human resources (Andriessen, 2004). Intangible resources may be brands, patents, trademarks, reputation, culture, knowledge or know-how, accumulated experience, and relationships with customers, suppliers or other key stakeholders (Aboody & Lev, 2001).

What kind of resources are required has been the focus of research by resource-based theorists and a number of static resources have been empirically tested. These include firm-specific characteristics such as firm size, firm age, nature of key and support activities, production resources, R&D resources, as well as capabilities such as marketing, technological, and knowledge-based capabilities (İpek, 2018). In these studies, the capabilities include the efficiency and effectiveness in deploying and reconfiguring existing resources in a responsive way. According to the RBV, sustaining competitive advantages implies that resources are valuable, rare, difficult to imitate and hard to substitute with an equivalent strategic value (Barney, 1991). However, many scholars have criticised RBV because the dynamics of the firm's environment

renders the resources and value-generating capabilities obsolete, which makes the source of competitive advantage transitory. The first implication here is that resources need to be reviewed and changed in accordance with the change in environment. With this weakness in flexibility and adaptability in mind, resource-related antecedent variables will be reviewed in this order: originator – intellectual resources, R&D investments, prior knowledge – types of knowledge, knowledge flow and accumulation structure, learning mechanism and education, age, champion, diversification, professionalism and specialisation, size, manager's tenure, individual cognition, and management cognition and dominant logic.

### **2.3.2.1 Originator – intellectual resources – relevant in this thesis project**

The originator of the creative thinking or the idea generator, and whether the innovation idea is incremental or disruptive, raises the problem identified or opportunity recognised (Leifer et al., 2000). Since the activities and decisions occurring at the very early stages are exactly the same at the starting point of any innovation, such a decision determines the direction of development for any new product or service. Moreover, from the cost perspective, it is far less costly to enhance the quality and quantity of the generated ideas at this stage rather than enhancing quality at the R&D phase.

This cost efficiency is often neglected in the real world, as the top management commitment by way of corporate level strategy can never be structured, explicit and unambiguous due to the very high level of uncertainties (Reid & Brentani, 2004). From the point of view of corporate strategy and senior management support, incremental innovations are easier to gain support whilst discontinuous innovations are harder to gain the required support. This could explain the fact that disruptive, discontinuous innovations account for just 10 per cent of all new product developments, whilst predominantly incremental ones occupy the rest (Akkermans, Castaldi & Los, 2009). Through empirical study using 10 performance measures of a company's new product program: (1) success rate, (2) percent of sales, (3) profitability relative to spending, (4) technical success rating, (5) sales impact, (6) profit impact, (7) success in meeting sales objectives, (8) success in meeting profit objectives, (9) profitability relative to competitors, and (10) overall success, Cooper and Kleinshmidt (1995) argue that spending time and effort at the early stage activities is better rewarded by the enhanced level of product performance. The existence of the originator–innovation relationship is positive, and can be the subject of managerial intervention, thus originator value is relevant to my research.

### **2.3.2.2 R&D investments – relevant**

Cohen and Levinthal (1990) focus on the R&D or technological development side of the innovation. This is obviously part of the resources or input side of the antecedent variable–innovation relationship formula necessary to draw out successful innovation outcomes. R&D investments work to enhance ABS CAP by increasing knowledge about technological changes. The absence or discontinuity of investment will result in the company being at risk of falling permanently out of the competition (Cohen & Levinthal, 1990) for two reasons. Firstly, the risk that innovation is perceived as relatively low value given the overall reluctance to invest, i.e. negative mental frame cognitively established in the first place. Secondly, it is technologically extremely expensive to catch up with the required level of knowledge once investment has been interrupted. R&D has a dual role: firstly to generate new knowledge, and secondly to build up ABS CAP (Cohen & Levinthal, 1990). As above, the R&D investments–innovation relationship is positive. Thus, this is a possible area of managerial intervention.

While Cohen and Levinthal (1990) saw R&D expenditures as a proxy of technological development, that may not be completely accurate for the asset management industry. The technology-related R&D expenditure is less apparent as they are limited to installation of the trading system in each market, membership fees in each market and HR-related costs. Innovation on the fund product development side of the industry is more focussed on market analysis, position analysis and the needs analysis of potential investors.

### **2.3.2.3 Prior knowledge – types of knowledge – relevant**

People absorb and accumulate knowledge more easily when they already have some common knowledge in terms of expertise, know-how, training or practices (Reagans & McEvily, 2003). Cohen and Levinthal (1990) determine that prior knowledge is the single most important antecedent variable for ABS CAP. Kogut and Zander (1992) proclaim that prior knowledge is the most important resource of the firm and the prime determinant of competitive advantage. Knowledge is more appropriately described as an expertise or technical, procedural and intellectual understanding, and is an apprehension of all relevant intellectual assets that impact the creative effort by an individual (Adams, 2005). Gardner (1999) has analysed that there are two types of prior knowledge indispensable for an individual to be innovative. The first is the in-depth experience and long-term personal interest and focus on the problem, and the



second is the experiential lateral thinking to enable an individual to combine the previously fragmented understanding into a newly creative way by broadening focus and diversifying interests. This synthetic thinking ability as part of the cognitive processes (Sternberg & Grigorenko, 1997) is quite important to produce creative outputs.

Knowledge built up as an accumulation of past experiences is generally regarded as an essential prerequisite for innovative thinking since the innovator should have an accurate sense of contextual relevance before coming up with an idea for improvement or a solution. Empirical research by Simonton (2000) of 300 eminent individuals has revealed that both too little and too much knowledge about the subject is harmful for innovation. Excessive knowledge can kill creativity, whilst insufficient knowledge blocks the proper work of relevant lateral thinking. Knowledge includes basic skills and shared language, and the most recent scientific or technological developments (Cohen & Levinthal, 1990). External knowledge could even include competitors' spill-over knowledge (Cohen & Levinthal, 1990), and individual prior related knowledge and diversity of background dictate the individual's level of ABS CAP (Utterback, 1971).

#### **Need knowledge and solution knowledge**

Two distinct knowledge types are crucial for innovation: need knowledge and solution knowledge (Schweisfurth & Raasch, 2018). Need knowledge (Alexander, 1964; von Hippel, 1994) addresses unmet needs of customers arising when using a given product or service (Schweisfurth & Raasch, 2018). Solution knowledge refers to solving technical problems and providing functionality (Alexy et al., 2013). Need knowledge is more unstructured, more latent, stickier, more uncertain and more difficult to transfer than solution knowledge (Autio et al., 2013; Nickerson et al., 2007). Although researchers have indicated that solution knowledge (technology push) and need knowledge (demand pull) can be equally important sources of successful innovation (Dosi, 1982), research into ABS CAP has mainly taken a technology-centric view. Most literature focusses on solution ABS CAP rather than need ABS CAP. These include the seminal work by Cohen and Levinthal (1990) that focusses on R&D as source of innovation from the technology perspective. By using extensive survey data and independent ratings of individual innovativeness, Schweisfurth and Raasch (2018) found that employees' need knowledge and solution knowledge increase need ABS CAP, whereas solution knowledge is positively related to solution ABS CAP. Need knowledge, however, is negatively associated with solution ABS CAP.

Need ABS CAP informs demand-driven innovations initiated outside the firm within the customer segment (Anderson et al., 2014; Priem et al., 2012). The ability to recognise needs or opportunities depends partly on individual capabilities, quality of external knowledge and organisational need ABS CAP, particularly about the user needs in relation to existing and novel solutions (Teece, 2007). This requires the integration of specific knowledge, creative activity, the ability to understand customer decision-making mechanisms or tendencies, and practical wisdom (Nonaka & Toyama, 2007). An organisation's need learning mechanisms as part of the routinised activities is directed to the development and adaptation of operating routines. The specific roles include (1) experience accumulation, (2) knowledge articulation and (3) knowledge codification (Zollo & Winter, 2002).

An asset management company's market information processing capability in encompassing, acquiring, distributing and interpreting information (Sinkula, 1994) is on the investor (customer need) side as well as the targeted investment markets (supply) side (Schweisfurth & Raasch, 2018). If crucial need knowledge or solution knowledge is situated outside of organisational boundaries, like in the customer domain (Chesbrough, 2003; Laursen & Salter, 2006), then it must be absorbed by the firm for innovation to take place (Schweisfurth & Raasch, 2018). Thus, theoretically, there should be both need ABS CAP and solution ABS CAP. In any case, need and solution knowledge, both of which can be influenced by management, influence a firm's innovation capabilities. As a result, prior knowledge, whether need knowledge or solution knowledge, is relevant to my research.

In the case of asset management businesses, customer need information can be obtained when asset management company employees cognitively cross the organisational boundary, for instance by interviewing customers or inviting opinions at investor seminars (Griffin & Hanser, 1993; Schweisfurth & Raasch, 2018). They could also obtain customer needs information by employing individuals who already have customer needs knowledge (Schweisfurth & Raasch, 2018).

Each asset management organisation has its own unique level of capabilities to turn external knowledge into commercial use or into a new fund product. In the industry, we need to compete, firstly with ideas to create new fund products, and secondly by delivering better investment performance. External knowledge such as market conditions, economic development of each country, changes in political or social environment, development cycle of each economy, money supply conditions, interest

rate and exchange rate environment, and market credit risk are all part of solution knowledge. However, Japanese investors' investment portfolio composition and preference, risk preferences, and return aspirations are those related to need knowledge. Solution knowledge is more a matter of financial market research capabilities to accurately assess the direction and attractiveness of each financial market, whereas solution knowledge to manage new asset classes can be subcontracted to third-party asset management companies that are skilled at managing that asset class. This could be done depending on the class of asset, market where the assets are traded and currencies in which they are evaluated. Consequently, the decisive factor for an asset management company to enhance the ABS CAP to innovate its fund products largely depends on the financial market research capabilities as part of the need knowledge (Alexander, 1964; von Hippel, 1994), which is knowledge of unmet needs by investors (customers) arising in the use of a given product or service (Schweisfurth & Raasch, 2018).

#### **2.3.2.4 Knowledge flow and accumulation structure – relevant**

When it comes to empirical studies of ABS CAP, most focus on prior related knowledge and ignore internal mechanisms such as structure of communication and character and distribution of expertise within the organisation which may influence a firm's level of ABS CAP (Volberda et al., 2010). Since a firm's level of expertise or knowledge cannot be segregated from how it is organised (Grant, 1996), organisational structure could be viewed as structure of knowledge accumulation through evaluating, assimilating, integrating, utilising and building knowledge (Loasby 1976; Volberda, 2010). In view of the foregoing, various organisational knowledge accumulation forms influence differently the level and type of ABS CAP (Ban Den Bosch et al., 1999). Nonaka and Von Krogh (2009) argue that routines, stories and norms influence how prior knowledge is stored in tacit forms. However, how prior knowledge is stored in an organisation is not well investigated by past empirical studies (Volberda, 2010), despite the fact that such a distribution structure of knowledge stock is quite important to enhance ABS CAP of the organisation. Vertical knowledge flows from the top positively increase a firm's exploitation activities but it does not affect its managers' exploration activities, while the bottom up or horizontal knowledge flows positively affect a managers' exploration activities, but not managers' exploitation activities (Mom, Ban Den Bosch & Volberda, 2007). Prior related knowledge must be distributed throughout the organisation to have the largest possible influence on the future development of ABS CAP (Lenox & King, 2004). Since the knowledge absorption capacity of individuals and groups is at best limited, the interlink between

prior knowledge at an individual or small group level and the firm level is important but remains unclear (Lenox & King, 2004).

Accumulating prior knowledge enhances a firm's ABS CAP. The innovative performance of organisations is a function of accumulating ABS CAP in one period for a more efficient accumulation in later periods, and possession of related expertise or experiential knowledge for better understanding and evaluation of external knowledge resulting in formulation of expectation (Cohen & Levinthal, 1990). Such accumulation and its effect on expectations imply that innovation development is domain-specific, path-dependent and history-dependent. The faster the pace of knowledge generation, the greater the number of staff to keep abreast of the development of the knowledge (Cohen & Levinthal, 1990). As above, how the new knowledge is added to the knowledge pool and retained as a shared knowledge has influence over the ABS CAP. The knowledge accumulation mechanism is therefore relevant to my research.

Through my past experiences as CEO of an asset management company, I am interested in the knowledge accumulation and pooling structure, how prior knowledge is pooled and by whom, and how the prior knowledge, as part of ABS CAP, flows in and how internal communication done. I am also interested how the new product ideas generated by an individual are communicated across the individuals and teams and wider departments throughout the organisation to have it materialise as a product.

#### **2.3.2.5 Learning mechanism and education – relevant**

As mentioned earlier, while the RBV focusses on the choice of resources, management intervention strategies may include learning mechanisms focussing on development and renewal, enabling firms to align their strategies with changes in the environment. ABS CAP is in a sense a learning capability because it is based on learning mechanisms, which are the basis of the processes of knowledge acquisition, conversion, application and accumulation. As a background to learning and knowledge transfer, ABS CAP enables companies to enhance their potential to explore external sources of knowledge, adapt to changes in their environment, increase the degree of innovation, respond quickly to customer needs, and renew their knowledge bases, as part of a decisive factor for a firm's competitiveness (Cohen & Levinthal, 1990). Education creates people who are open minded about organisational change and education facilitates understanding and interpretation of diverse information that leads to innovation (Lane et al., 2006), thus, learning and education are indispensable in facilitating the ABS CAP accumulation and are relevant to my research.

#### **2.3.2.6 Age – not relevant**

Older organisations have established norms and habits over time. This makes older organisations more rigid and less open to change (Rao & Drazin, 2000). There are, however, research results demonstrating evidence to the contrary, that younger firms are less willing to make changes (Kimberly & Evanisko, 1981). That said, the age of the organisation is outside of the managerial intervention targets, and is outside of the scope of this research.

#### **2.3.2.7 Champion – relevant**

The existence of a champion facilitates the innovation process by influencing to gain the necessary resources and support. Champions help to nurture innovation throughout the process from conceptualisation to implementation (Chandy & Tellis, 1998) and is relevant to my research.

#### **2.3.2.8 Diversification – relevant**

Organisations that have a wide variety of products have a reduced level of allocated R&D expenditure per product line, which reduces the capability to innovate (Ahuja, 2000). On the other hand, diversification creates a greater knowledge base that spans different product ideas to promote innovation (Chandy & Tellis, 1998). The empirical results are mixed depending on the firm's environment. This, therefore, could be relevant to my research.

#### **2.3.2.9 Professionalism and specialisation – relevant**

Managers tend to interface with organisations that have boundary-spanning activities and can help to collect information. The activities would provide managers with a diverse set of ideas to bring back to their own organisation (Fiol, 1996). Damanpour (1991) found that professionalism of management accounted for 40 per cent of the variance in innovation. Specialisation provides a focussed knowledge base and higher technical knowledge for generation of ideas (Jansen & Ban Den Bosch, 2005). These empirical studies indicate that professionalism and specialisation do matter for ABS CAP, hence is within the scope of my research.

#### **2.3.2.10 Size – results mixed – not relevant**

Large organisations tend to have more resources available for innovation to happen than small ones. That said, size can be associated with organisational inertia and failure to adapt to changing environmental conditions. The firm size–ABS CAP

relationship is positive for small firms but negative for larger firms. Also, the firm age–ABS CAP relationship is negative for mature firms and not significant for young firms (Zou, Ertug & George, 2018). Firm size cannot be changed easily by management action, and is hence not relevant to this research.

#### **2.3.2.11 Manager's tenure – results mixed – not relevant**

Managers with longer tenure provide legitimacy and knowledge to attain goals. On the other hand, managers with long tenure are less likely to be open to new ideas (Lemmink & Ouwersloot, 2004). Since the empirical results are mixed, this issue is outside of my research.

#### **2.3.2.12 Individual cognition – relevant**

By continuously referencing psychological theories of individual cognitive structures and its development, Cohen and Levinthal (1990) state that the level of individual ABS CAP and interaction between individuals are relevant antecedent variables. They argue an organisation's ABS CAP will depend on the ABS CAP of its individual members. Thus, organisational ABS CAP development is built on the prior investment in the development of its constituents, i.e. individual ABS CAP. For organisations to be innovative for survival, the first thing the organisation should consider is how a creative individual is identified, educated and trained for enhanced creative performance. In analysing individual creativity, cognitive psychology is the most prevalent and developed perspective on the source of creativity (Simonton, 2000). Research efforts have been focussed on the cognitive processes behind individual creativity, the characteristics of innovative people, the development of individual creativity across the lifespan and the social environment supporting creativity (Kaplan & Tripsas, 2008; Thrane, Blaabjerg, & Moller, 2010). Thus, for an organisation to enhance the individual creativity of the existing workforce, understanding of the cognitive process behind the creativity is indispensable.

Both the cognition literature (Dijkserhuis, 2004) and the knowledge-based view (Ban Den Bosch et al., 1999) demonstrate that the characteristics of knowledge environment influence the nature of a firm's ABS CAP. Todorova and Durisin (2007) point out that assimilation and transformation occur simultaneously through the cognitive schemas. More specifically, when the external knowledge is less compatible with the existing knowledge due to the incompatibility with the current cognitive frames, transformation of current cognitive schemas occurs to make the idea or situation adaptable when the idea is not readily assimilated (Todorova & Durisin, 2007), whereas

if the external information is compatible with the current cognitive framework, then assimilation only occurs to recognise the value of the external knowledge.

Dougherty (1992) has found that the process of creating and exploiting knowledge for innovation is one of trial and error through exploration, strategic undertaking, research and advice from senior staff. In the decision-making processes of an organisation, the process has become contingent upon a combination of the degree of clarity in causal relationships through past experiences and the degree of agreement in objectives (Stacey, 2011). If clarity is low and resources are slack, managers avoid trial and error (Garud & Van de Ven, 1992). Thus, in a practical workplace, success of innovation is highly dependent on the mental frame, cognitive property and/or individual evaluation of the responsible individuals on the likelihood of successful implementation. Thus, the understanding the individual cognitive process for innovation is relevant for my research.

#### **2.3.2.13 Management cognition & dominant logic- relevant**

Helfat and Peteraf (2015) have identified managerial cognitive capabilities that underpin the flexibility and adaptability of an organisation. More specifically, perception and attention precede sensing; problem-solving and reasoning precede seizing; and language, communication and social cognition precede reconfiguring. The managerial cognitive structure to value external knowledge is vital in properly evaluating external knowledge and not shutting out the possibility from the outset. This is in line with the investigation results by Christensen and Bower (1996) who say that problems of managers in properly evaluating the value of new knowledge is serious, particularly when it is not relevant to the current demands of key customers.

The re-conceptualisation by Zahra and George (2002) of the original conceptualisation of Cohen and Levinthal (1990) appears to have serious impediments. One of the biggest problems is the lack of cognitive structures of individuals and organisations (Todorova & Durisin, 2007). Firms often fail to recognise the value of external knowledge as they could be biased and hampered by an embedded knowledge base, structural inflexibility, and path-dependent managerial cognition for decision-making (Todorova & Durisin, 2007). More specifically, these distorting factors could include social integration, appropriability regimes, feedback loops, and power relationships (Todorova & Durisin, 2007).

The evolutionary model of innovation stresses the importance of past decisions to determine the direction of future technological change (Bessant, Caffyn & Gallagher, 2001). The change dimensions include technological, economic, institutional and social. A change in one dimension will cause stress or tensions on others, and through this recurrent interaction and feedback loop, new changes will emerge to form a chain of innovation (Stenzel, 2007). This model incorporates the concept of uncertainty at the technological, economic (consumer, supplier, competitive, resource), institutional (regulatory, political) and social (relationship) level. The evolutionary model recognises the bounded rationality or the limitation to management's decisions, admitting that there are constraints to management gathering information and processing it appropriately for decision support (Bessant, Caffyn & Gallagher, 2001). Management generally has its own prioritised routines, or self-perceived important issues or agenda, to safeguard at any cost, resulting in the failure to reach the truly optimal solutions that should have resulted in innovation.

Management could apply existing and acquired knowledge in a synthesised manner that is influenced and limited by the managerial cognitions and dominant logic (Augier & Teece, 2009). Amongst individual cognition, the theory on managerial cognition suggests that managers view things through their own cognitive lenses. Dominant management logic is usually formed to reduce the complexity of the business environment (Bettis & Prahalad, 1995). This cognitive frame often works to limit the firm's ABS CAP or to generate inertia in adapting ABS CAP (Ban Den Bosch & Van Wijk, 2001; Todorova & Durisin, 2007). The evidence that a firm's dominant logic determines how it applies knowledge has implications for the commercialisation of new external knowledge (Lane & Lubatkin, 1998). Thus, managers can be considered 'cognizers' (Calori, Johnson & Sarnin, 1994), who reduce the complexity of the issues they face by developing mental frames that result in a 'dominant management logic' (Prahalad & Bettis, 1986; Bettis & Prahalad, 1995). This dominant logic evolves over time, directly influencing the organisational structure (Dijksterhuis, Ban Den Bosch & Volberda, 1999) and indirectly the level of ABS CAP (Ban Den Bosch et al., 1999).

We need more dynamic models incorporating variables to address managerial intentionality to influence the level of ABS CAP (Ban Den Bosch et al., 2003). Many models that use R&D expenditures as proxy for the level of ABS CAP could be flawed. Whilst the expenditures are objectively quantifiable, there is no reason that higher R&D expenditures result in higher density of ABS CAP. Indeed, there is empirical proof from



Lichtenthaler (2009) that R&D expenditure has low explanatory power of various dimensions of ABS CAP.

We may need to focus more on the mental frames or cognitive aspects of individuals and managers as they could restrict what they focus on or destroy the chance of innovation just because of the wrong frame (Stacey, 2011). Management cognition and dominant logic are of particular interest in this research whether the CEOs of successful asset management companies apply the dominant logic, or they prefer to take the democratic bottom-up process for encouraging innovative fund production.

My own experience as CEO of an asset management entity suggests that the biggest risk regarding the ABS CAP is the systematic rejection of externally derived new ideas due solely to the incompatibility with the biases caused by pre-existing cognitive frames held by the management. The above reminds me of the importance of challenging the cognitive frame of individuals for innovation to take place. I have seen more than enough cases where people are inflexible about changing their views due to the existence of cognitive frames, and I believe I was not an exception. Consideration must be given to establish organisational systems or cultures to constantly challenge the existing cognitive frameworks.

In the pursuit of incremental innovation, this challenge to the cognitive frame of individuals is almost non-existent. This challenge to pre-existing cognitive frames, however, did occur at the time of the creation of Kokusai Global Sovereign Fund. Kokusai Asset Management challenged the then-existing cognitive frame that encashing or creation of liquidity from the invested funds should be done by each individual investor by redeeming part of their investment portfolio. Kokusai shifted the liquidity preparation responsibility from the individual to the asset management company. Investors liked this idea, appreciating the value of practical convenience. Thus, how the leading asset management companies deal with the cognitive frame and dominant logic issue is to be explored in this research.

### **2.3.3 Motivation-related antecedent variables**

Motivation-related antecedent variables include: Task motivation, ABS CAP achievement incentive structures, Competitor orientation, Customer orientation, Clan culture – openness to change, and Management combinative capabilities. These variables will be reviewed.

### **2.3.3.1 Task Motivation – relevant**

Besides the individual's cognitive ability, education, skill set and motivation influence their capacity to absorb external knowledge (Minbaeva et al., 2003). Amabile (1996, 1998) developed a model of creativity and focussed on the factors that facilitate creative behaviour by individuals. Intrinsic motivation for a task seems to be most extensively researched (Amabile, 1996; Deci & Ryan, 1985; Shalley & Oldham, 1985; Shalley et al., 1987; Woodman et al., 1993). Intrinsic motivation is considered a primary driver for creativity at an individual level, whilst extrinsic motivation could be viewed as conducive to creativity if interpreted by individuals as informational or enabling, but could be viewed as detrimental as it tends to be interpreted as controlling (Amabile, 1996). Thus, how an individual is motivated for creative activity in asset management companies is of interest for the purposes of this research.

### **2.3.3.2 ABS CAP achievement incentive structures – relevant**

Amabile (1998) argues, through an extensive empirical study, that people would be most creative when they feel motivated primarily by the interest, satisfaction and challenge of the work itself, and not by external pressures. Designing organisational incentive structures and routines to catalyse and reward creative actions as well as developing routines to discard inertia that impedes breakthroughs are important elements in organisational structural efficiency (Teece, 2007). Thus, organisational structure to foster collective faith and pride in individual's talent, in other words organisational incentive structure to foster intrinsic motivation, is regarded as an important factor to encourage innovation (Kanter, 1983). Obviously, the existence of an incentive scheme to promote innovation is to be covered by this research.

### **2.3.3.3 Competitor orientation – relevant**

Organisations keen to focus on their competitors are less likely to come up with radical ideas but are likely to innovate by way of me-too incremental types of products (van Riel, Lemmink & Ouwersloot, 2004). This issue is interesting, as it is unclear whether the act of mimicking competitors' products will enhance the product innovation capabilities of an asset manager or not. Thus, this is within the scope of this research.

### **2.3.3.4 Customer orientation – relevant**

Organisations that are customer-oriented are more likely to gain ideas and information from consumers to stimulate innovation. Collaboration with customers to co-create value through product innovation has been researched by Prahalad and

Ramaswamy (2004) and Thomke and von Hippel (2002). Cui and Wu (2016) suggest that there are three types of customer involvement for product innovation: customer involvement as an information source; customer involvement as co-developers; and customer involvement as innovators. This is of significant interest to me, as customers for asset management firms could include not only ultimate investors but also distributors such as banks and securities companies. How and to what extent they are involved in the fund's product innovation process is an extremely enticing issue intellectually.

#### **2.3.3.5 Clan culture – openness to change – relevant**

Kanter (1983) stresses the importance of organisational culture on diversity. A broad understanding spanning a number of cultures together with a deep understanding of one or two specific cultures is the sort of knowledge that could sustain the innovative ability and process of individuals as well as organisations. Knowledge is viewed as residing within the individual, whereas the prime role of an organisation is the application of knowledge rather than its creation (Grant, 1996). A clan culture stresses employee participation, teamwork and cohesiveness and is supportive of innovation (Moorman, 1995; Sivadas & Dwyer, 2000). A proactive attitude towards change provides organisations with a culture open to innovation. Management supports innovation by deploying sufficient resources. The higher up the organisation that management is willing to be open to change, the more the organisation is likely to innovate (Calantone, Garcia & Droge, 2003). Thus, organisational clan culture and open attitude towards innovation should be under my research coverage.

#### **2.3.3.6 Management combinative capabilities – relevant**

Besides managing the accumulation of external knowledge, management should adapt their combinative capabilities (systematisation, coordination and socialisation of knowledge) to succeed with strategic innovation (Gebauer, Worch & Truffer, 2012). Combinative capabilities, i.e. how a company systematises, socialises and coordinates knowledge (Zollo & Winter, 2002) could either contribute to or hinder learning processes and the corresponding level of ABS CAP (Ban Den Bosch et al., 1999). Coordinating knowledge means cross-functional interfaces and participation in decision-making processes (Gebauer, Worch & Truffer, 2012). Companies can systematise knowledge through formalisation and routinisation of organisational actions. Knowledge could be socialised in proportion to the density of social linkages (structural aspects) and shared social experience (cognitive aspects) (Ban Den Bosch et al., 1999; Jansen et al., 2005; Kogut & Zander, 1992). The mere fact of increasing

the level of external knowledge does not always enhance innovation capabilities; attention needs to be given to how combinative capabilities interact with ABS CAP learning processes. Creating an in-depth understanding of the interaction between combinative capabilities and learning processes could explain why, in similar business environments, some companies achieve better innovation performance than others, through converting external knowledge into strategic innovations (Dyer & Singh, 1998). Accordingly, asset management companies' combinative capabilities and their influence on the ABS CAP learning process is an issue to be considered as part of this research.

### **2.3.4 Structure and processes**

Typically, in the idea generation and assessment phases, whether the idea is customer-oriented, technology-oriented, process-oriented or cost-oriented, it is generated and assessed for attractiveness and potential risks whilst simultaneously being aligned with existing projects. In the development and product planning phase, the potential market is analysed and the product concept is refined for more detailed specifications and architecture, whilst project size, costs, timing and necessary funding are preliminarily planned (Reid & Brentani, 2004). Under the structure and processes antecedent variables, there are ambidexterity, informal networks and internal communication, shared language, organisational structure for collaboration and integration, knowledge sharing mechanism, and organisational learning, which will be reviewed in this order.

#### **2.3.4.1 Ambidexterity – relevant**

Tushman and O'Reilly (1996) propose organisational ambidexterity or the ability to simultaneously pursue exploration (wider search scope) and exploitation (search depth). Exploration is linked to research, experiment, divergent thinking and variation, whilst exploitation is associated with efficiency, convergent thinking, refinement and improvement. This is attained by maintaining multiple contradictory structures, processes and culture within the same firm. There have been very many empirical studies and theory papers related to this topic since Tushman and O'Reilly's (1996) paper. Organisational structure encouraging collaboration and teamwork facilitation is supportive to promote both exploitation and exploration capabilities.

One notable study was by Katila and Ahuja (2002) who conclude, from the empirical analysis of the licensing activities of 124 companies in the robotics industry, that those companies having attained efficiencies in both exploration and exploitation are

significantly better-performing than companies that focussed on either exploration or exploitation. There are numerous similar studies. These empirical studies suggest that organisational ambidexterity is positively associated with company performance. More specifically, organisational ambidexterity is positively correlated with sales growth (Auh & Menguc, 2005), subjective ratings of performance (Bierly & Daly, 2007), innovation (Tushman, Smith, Wood, Westerman, & O'Reilly, 2010), market valuation as measured by Tobin's Q (Goosen, Bazzazian, & Phelps, 2012) and survival (Cottrell & Nault, 2004). The empirical evidence suggests that under conditions of market and technological uncertainty, ambidexterity typically has a positive effect on firm performance. As business is regarded as full of uncertainty, it makes sense that an organisation possesses ambidexterity for better performance and survival. The results of empirical studies are very impressive as they are quite supportive and robust with longitudinal data. It is interesting to know how ambidexterity of asset management companies could affect their exploration as well as exploitation capabilities in the research.

#### **2.3.4.2 Informal networks and internal communication – relevant**

For a firm to enhance ABS CAP, interaction amongst R&D, design, manufacturing and marketing functions is required (Mansfield, 1968). Through a qualitative, interpretive case study approach on organisational structure, Kanter (1983) found that innovation could take place more easily in organisations with the structure to allow multiple conduits between the inside and outside of the organisation and with a solid information network at the intersecting territories. How an organisation could absorb knowledge in the intersecting territories is important and the effectiveness of absorption depends on the multiplicity of conduits between different teams or departments (Kanter, 1983).

In the Minnesota Innovation Survey, Angle (1989) focussed on the importance of information flows in relation to organisational system and structure. These include: expectations about the importance of communication; channels and vehicles available for communication; and the decision with whom to communicate and the effect of communication. The survey results indicate that communication frequency within the innovation teams and with teams outside significantly relates to the effectiveness of organisational innovation. Angle (1989) opines that it is not the fact of communication within and outside of the organisation, but the frequency of communication amongst persons with dissimilar frames of reference that is important. Entirely new ideas could be generated by the exchange of ideas from different perspectives that is vital for innovation. It is interesting to know that Kanter (1983) included diversity, collaboration,

intersecting communication and integration as necessary ingredients for the organisation to be innovative. Obviously, these play indispensable roles for innovation to take place. Knowledge transfer within an organisation to gain critical competencies occurs when units in an organisation are embedded in a network coordinated through processes of knowledge transfer and resource sharing (Galbraith, 1977). Networks provide organisations access to knowledge about trends in the environment. An organisation's network increases boundary-spanning activities within and outside of the organisation and deploys necessary resources for organisations to innovate (Tsai, 2001; Jansen & Ban Den Bosch, 2005; Todorova & Durisin, 2007).

Organisational ABS CAP is not resident in a single individual but relies on links across a mosaic of individual capabilities (Cohen & Levinthal, 1990). Individuals who interface with people outside of the organisation or different internal departments or teams are called centralised gatekeepers or distributed boundary-spanners (Cohen & Levinthal, 1990). ABS CAP requires having porous boundaries, scanning broadly for new knowledge, and identifying and deploying those employees who serve as gatekeepers and boundary-spanners (Volberda, 1996). If external information is closely related to ongoing activity, then there is no need for any gatekeeper or boundary-spanner as the link for external knowledge acquisition, assimilation, transformation and exploitation is naturally well established as part of the R&D process (Cohen & Levinthal, 1990). Clark and Fujimoto (1987) argue that speed of product development is strongly influenced by the links amongst problem-solving cycles and that successful linkage requires direct personal contacts across functions, liaison roles at each cross-functional task force and project team, and a process using the product manager as integrator. The iteration between ABS CAP and network position has significant, positive effects on business unit innovation and performance (Tsai, 2001). How the internal communication network is established by leading asset management companies is of great interest and it will be explored through this research.

#### **2.3.4.3 Shared language – relevant**

Cohen and Levinthal (1990) redefine ABS CAP not only as a by-product of R&D activities, but also of the organisation's broad knowledge base, prior learning experience, shared language and cross-functional interfaces. If different teams in the organisation share the same language, including those of specialist terminologies, the communication is expected to be smoother resulting in enhanced overall ABS CAP (Nooteboom, 2000). The degree to which investment in communication is pragmatic depends on the availability of a shared language, the tacitness of knowledge, and the

degree to which range or domain extension is specific (Nooteboom, 2000). Similarity or sharing of certain attributes such as language within the team facilitates ABS CAP (Gupta & Govindarajan, (2000). Since shared language facilitates communication outside of the organisation resulting in better ABS CAP performance, how asset management companies deploy shared language within the organisation is to be covered in this research.

#### **2.3.4.4 Organisational structure for collaboration and integration – relevant**

Although Cohen and Levinthal (1990) explicitly argue that organisational structure could shape a firm's ABS CAP beyond the simple sum of absorptive capacities of individuals, they are not specific about the collaboration and integration structure, thus the understanding of organisational structure for collaboration and integration of ABS CAP remains unclear (Volberda et al., 2010). While knowledge structure is considered of prime importance in considering ABS CAP of organisations, Kanter (1983) found, through empirical study, that integrative organisational structure is of vital importance to ABS CAP. Further, a study by Jensen, Ban Den Bosch and Volberda (2005) indicates that organisational mechanisms associated with coordination capabilities, i.e. cross-functional interfaces, participation in decision making and job rotation, primarily enhance the unit's potential ABS CAP. Organisational mechanisms associated with socialisation capabilities, such as connectedness and socialisation tactics, primarily increase the unit's realised ABS CAP. Through case studies, Ban Den Bosch et al. (1999) found that organisational structures and capabilities combined are internal mechanisms to enhance the level of ABS CAP. Different units may be able to absorb different kinds of knowledge as they have different capabilities for transferring the knowledge internally (Volberda et al., 2010). Through a survey in a large multinational firm, Jensen et al. (2001) found that coordination capabilities, including cross-functional interfaces, decision-making participation and socialisation capabilities such as connectedness and socialisation tactics impact ABS CAP differently. Albeit the collaboration and integration capabilities are somewhat broad in concept, it is of interest to me to find out how these capabilities affect an asset management firm's innovation capability through the research.

#### **2.3.4.5 Knowledge sharing mechanism – relevant**

Knowledge sharing is an activity through which knowledge (information, skills or expertise) is communicated and shared amongst people and/or organisations (Bukowitz & Williams, 1999). Organisations have long been aware that knowledge constitutes a valuable intangible asset in creating and sustaining competitive

advantages (Miller & Shamsie, 1996). The sharing of knowledge is a major challenge for knowledge management by a company as some employees tend to resist sharing their knowledge with the rest of the organisation for the purpose of protecting their own special value within the organisation (Ciborra & Patriota, 1998).

The difficulty of knowledge sharing resides in the transfer of knowledge from one person to another (Argote & Ingram, 2000). To counteract to the reluctance of individuals in sharing knowledge, individuals must be reassured that they will receive some type of incentive for what they share. Dalkir (2005) argued that individuals are most commonly rewarded for what they know and not what they share. To promote knowledge sharing and remove obstacles for knowledge sharing, organisations should have a culture that encourages discovery and innovation (Dalkir, 2005). Trust is the key to enhancing the willingness of members to exchange knowledge and to embrace knowledge from other members as well (Levin & Cross, 2004).

Van den Hooff and Van Weenen (2004) propose two different forms of knowledge sharing: knowledge donating and knowledge collecting. Organisational knowledge sharing amongst employees and management includes both knowledge donating and knowledge collecting. Knowledge donating is outward communication to others to convey what one's personal intellectual capital is; knowledge collecting is inward flow of knowledge through consulting colleagues to have them share their intellectual capital. Both processes are proactive – either proactively communicating to others what we know, or proactively consulting others to learn what they know. Thus, in this research, how the leading asset management firms establish the knowledge sharing mechanism will be covered.

If all the asset management companies become truly innovative and become excellent fund product creators by avoiding launching unattractive funds, and by reducing unnecessary costs and waste, this will eventually benefit all the investors as well as the asset management community as a whole.

#### **2.3.4.6 ABS CAP & organisational learning**

Knowledge management capacity is an important part of ABS CAP (Lichtenthaler & Lichtenthaler, 2009). In their seminal work, Cohen and Levinthal (1990) point out the importance of increasing R&D intensity to increase capacity to enhance knowledge as part of organisational learning. In so doing, each responsible unit should hold specialised knowledge to grasp the opportunity to learn from other units (Huber, 1991).



The ABS CAP concept stemmed originally from organisational learning, or 'the process of improving actions through better knowledge and understanding' (Fiol & Lyles, 1985; Levitt & March, 1988), or 'organisational skills to create, acquire, interpret, convert and retain knowledge and to act and modify organisational behaviours to respond to those new knowledge and insights' (Garvin, 1993). Technology transfer as part of learning was addressed by Kedia and Bhagat (1988). Lane et al. (2006) defined ABS CAP as an explicitly separated three-dimensional learning processes of 'exploratory learning' to recognise and understand new external knowledge, 'transformative learning' to assimilate valuable external knowledge, and 'exploratory learning' to combine newly acquired knowledge with existing knowledge.

From the viewpoint of learning, there is a question as to what extent a firm can develop ABS CAP internally. When the type of information is firm-specific, then the ABS CAP cannot be bought from outside. In such cases, there will be considerable time lags to integrate the information, particularly when it is related to process and product development (Lee & Allen, 1982). Winter (2003) suggests that much of the knowledge of organisational routines, stories, procedures, heuristics and know-how in relation to objectives is tacit, and thus can only be acquired through experience within the firm.

Organisational learning, in other words, is the way to improve the ability to interpret and understand behaviour through development of knowledge (Fiol & Lyles, 1985) or organisational skills to create knowledge, and the way to acquire and transform external information for the organisational change behaviours using new knowledge (Garvin, 1993). All these, without doubt, are vital constructs of ABS CAP. ABS CAP of sender and receiver, the past experiences, and their level of related knowledge are key to the success of knowledge transfer (Volverda et al., 2010). Progressive improvement in the performance of learning tasks will become noticeable as knowledge is accumulated. The facilitation of knowledge transfer is enabled through 'learning to learn' (Ellis, 1965; Estes, 1970). This may not be acceleration of learning but is accumulation of knowledge (Cohen & Levinthal, 1990). Some psychologists argue that prior knowledge enhances learning as memory, i.e. storage of knowledge is developed by establishing linkages with pre-existing knowledge and concepts, thus creating a virtuous cycle. Lindsey and Norman (1977) suggest that knowledge may be acquired but may not be well utilised due to the absence of the contextual knowledge necessary to make the new knowledge relevant.

It is interesting to know how a firm could learn to enhance the level of contextual knowledge. How asset management firms are trying to establish a system to build up contextual knowledge for product innovation needs to be investigated. Obviously, some asset management companies are very skilled at coming up with innovative products while others are not. In view of the thousands of unprofitable funds that currently exist, I have to believe that the former is rarer than the latter.

As mentioned earlier, my intention is to find effective management intervention strategies to enhance ABS CAP or, within the context of the asset management industry, a firm's ability to recognise the value of new external knowledge, assimilate it and apply it to commercial ends (Cohen & Levinthal, 1990) and to compete in an uncertain, and ever-changing environment (Ambrosini & Bowman, 2009). The intervention strategies could be on individual or organisational cognitive knowledge creation mechanism, organisational knowledge structure, the fluid nature of the responsiveness to the external knowledge, resource capabilities, or organisational learning mechanisms on a number of possible antecedent variables.

#### 2.4 Summary of the Antecedent Variable Effects – innovation relationship results and relevance to the field research

The foregoing literature review discussion is summarised in Table 2.1.

Table 2.1 : Antecedent variables and innovation relationship

Antecedent variables and innovation relationships	Relationship	Relevance to the field research
	Positive(+)	
	Negative(-)	
Environment		
Competition	+	Not Relevant
Turbulence – uncertainty	Mixed	Not Relevant
Similarity between two firms	Mixed	Not Relevant
Resources		
Originator – intellectual resources	+	Relevant
R&D investments	+	Relevant
Prior knowledge – types of knowledge	+	Relevant

Knowledge flow and accumulation structure	+	Relevant
Learning mechanism and education	+	Relevant
Age	Mixed	Not Relevant
Champion	+	Relevant
Diversification	Mixed	Not Relevant
Professionalism and specialisation	+	Relevant
Size	Mixed	Not Relevant
Manager's tenure	Mixed	Not Relevant
Individual cognition	±	Relevant
Management cognition and dominant logic	±	Relevant
Motivation		
Task motivation	+	Relevant
ABS CAP achievement incentive structures	+	Relevant
Competitor orientation	+	Relevant
Customer orientation	+	Relevant
Clan culture	+	Relevant
Management combinative capabilities	+	Relevant
Structure and processes		
Ambidexterity	+	Relevant
Information networks and internal communication	+	Relevant
Shared language	+	Relevant
Organisational structure for collaboration and integration	+	Relevant
Knowledge sharing mechanism	+	Relevant
Organisational learning	+	Relevant

Consequently, all of the relevant antecedent variables are to be explored in the interviews with expert practitioners during the empirical research.

## 2.5 Concluding Remarks on Absorptive Capacity

Through the course of this literature review it has become evident that it is not just the flexible and adaptive functions of ABS CAP itself, but also some of the environment-, resource-, motivation-, and structure- and process-related antecedent variables that matter to management intervention strategies. The foregoing extensive

review on a variety of possible antecedent variables as causes of increased or decreased ABS CAP has allowed a more rigorous framing of the potentially effective management intervention strategies to enhance ABS CAP for innovation.

Accordingly, this DBA thesis aims to contribute an actionable framework that could support practitioners to understand the different antecedent variables emerging in the competitive asset management business in Japan and how to strategise them effectively. By following a rigorous methodological approach in the field research, I hope to understand the key antecedent variables that result in enhancing an asset management firm's product innovation capabilities and produce an actionable framework to aid the creation of practical strategies for an efficient fund product innovation and successful introduction in the market.

## CHAPTER 3 RESEARCH DESIGN

The following sections will cover the overview of the research process, selection criteria of interviewees and basis of questions to be asked of the elite CEO interviewees, and the researcher's philosophical position in making this action inquiry approach.

### 3.1 Overview of the Research Process

The methodology selected for this research falls under the broad heading of action inquiry. Action inquiry belongs to the critical interpretative paradigm of social science research where researchers are seen as a critical part of the research process and the perceptions and interpretations of the participants are central to understanding (Ticehurst & Veal, 1999). The importance of in-depth inductive studies in the innovation context is used to safeguard against applying the rigid framework too soon to limit the scope of the inquiry (Van de Ven, Angle & Poole, 2000). Action-oriented research is believed to be particularly useful when a study is seeking innovation, change, transformation and growth of firms by managers or leaders (Wilson-Evered & Hartel, 2001).

Whilst the research itself needs to be comprehensive as the innovation process is both wide and broad, the focus of the study will be on the possible interventions that company CEOs would be able to make to enhance the ability of asset management companies to be innovative in the creation of new fund products. The interventions would be part of the wider innovation process, organisational structure or more narrowly defined, specific actions to influence individuals to increase their ability and willingness to innovate. To have the maximum opportunity for impact within the asset management sector, the research process will involve engagement with elite CEOs of sector-leading companies who, by virtue of their position, are able not only to initiate change within their companies, but also to influence the sector as a whole. Therefore, in the research I have engaged with the top six elite CEOs operating in the Japanese asset management industry.

The overall research process can be understood as proceeding through three main phases of inquiry. The first phase was conducted from the end of 2017 through to 2018 and consisted of two major research activities. At first, documentary evidence was collated related to the organisational structures of the six major asset management companies, and the hit product ratio of each entity. By this means I was able to assess

the relationship between their organisational structure and the effectiveness of innovative fund launches. Industry publications were examined to find the focus areas of each entity in establishing new funds, and the documents were also examined for any possible antecedents of the hit product ratio. At the same time as industry documents were being examined, an academic literature review (Chapter 2) was conducted to explore the most effective intervention system. The framing of this challenge in terms of ABS CAP (Chapter 2) and information derived from industry literature formed the basis of two rounds of interviews with leading industry experts in subsequent phases of the research. The critique of the literature and industry publications was informed by my own industry experience of being CEO of an asset management company in Japan for over 12 years.

The second main phase of the inquiry was comprised of interviews with six leading CEOs. The elite CEOs selected for these interviews are from the leading asset management companies operating in the asset management industry in Japan. Two are asset management companies from large financial groups in Japan, two are leading foreign-owned asset management companies, and two are smaller, independent but active asset management companies based in Japan. The primary goal of this first round of interviews was to explore their experience of fund launches, and gain their views on the organisational factors leading to the success or failure of such launches. A thematic analysis of interviews with CEOs was conducted to elucidate the actionable mechanisms underpinning the innovation capabilities required for successful launches. These actionable mechanisms are the key output of the second phase of inquiry.

The third and final phase of inquiry involved a second round of interviews with the CEOs. In these interviews the CEOs were invited both to critique the actionable mechanisms (from my analysis in Phase 2) and to suggest management interventions, informed by the research findings, to improve innovation capabilities. Reviewing this second round of interviews in light of the literature review, I produced arguments for different professional practices for building innovation capabilities in asset management companies.

Figure 3.1 provides a summary of the action inquiry process. Although shown in a (chronologically) linear form, each of the main phases operated through the iterative exchange of ideas between the literature reviewed and the empirical data, both of which comprise research analysis. The interplay between the literature and data

supported the generation of eight actionable mechanisms, confirmed their relevance and deepened the understanding of them (Eisenhardt & Martin, 2000).

The methodology above was chosen to build a rich picture of the organisational challenges of the asset management companies interviewed in the face of their struggle to increase efficiencies in launching successful fund products. Further, the research adopts action-orientation in seeking the management intervention strategies having been applied. In practical terms, and from the viewpoint of interviewees, the research is comprised of two rounds of engagement, i.e. currently applied strategies of the companies interviewed through the first round of interviews. The possible intervention strategies as part of the actionable mechanisms are derived from the analysis of interview data aligned to the framing from the literature review. The second round of engagement involved sharing with the CEOs the analysis of the case study organisation for feedback and validation. The output of this process was actionable knowledge for CEOs to improve their management intervention strategies to enhance fund product innovation capabilities. The whole research process is described schematically in Figure 3.1. Having presented an overview of the research design, the remaining sections go into detail of the key elements of the research design.

The uniqueness of this research is based on my previous position as CEO of HSBC Asset Management in Japan where I was respected by my competitor CEOs as running one of the most profitable foreign-owned asset management companies in Japan. The mutual respect that I established with the CEOs of the leading asset management companies facilitates the setting up of interviews and securing their candid opinions on the strategies required for the healthy growth of the industry itself. Thus, I believe myself in a better position to conduct this qualitative research than anybody else.

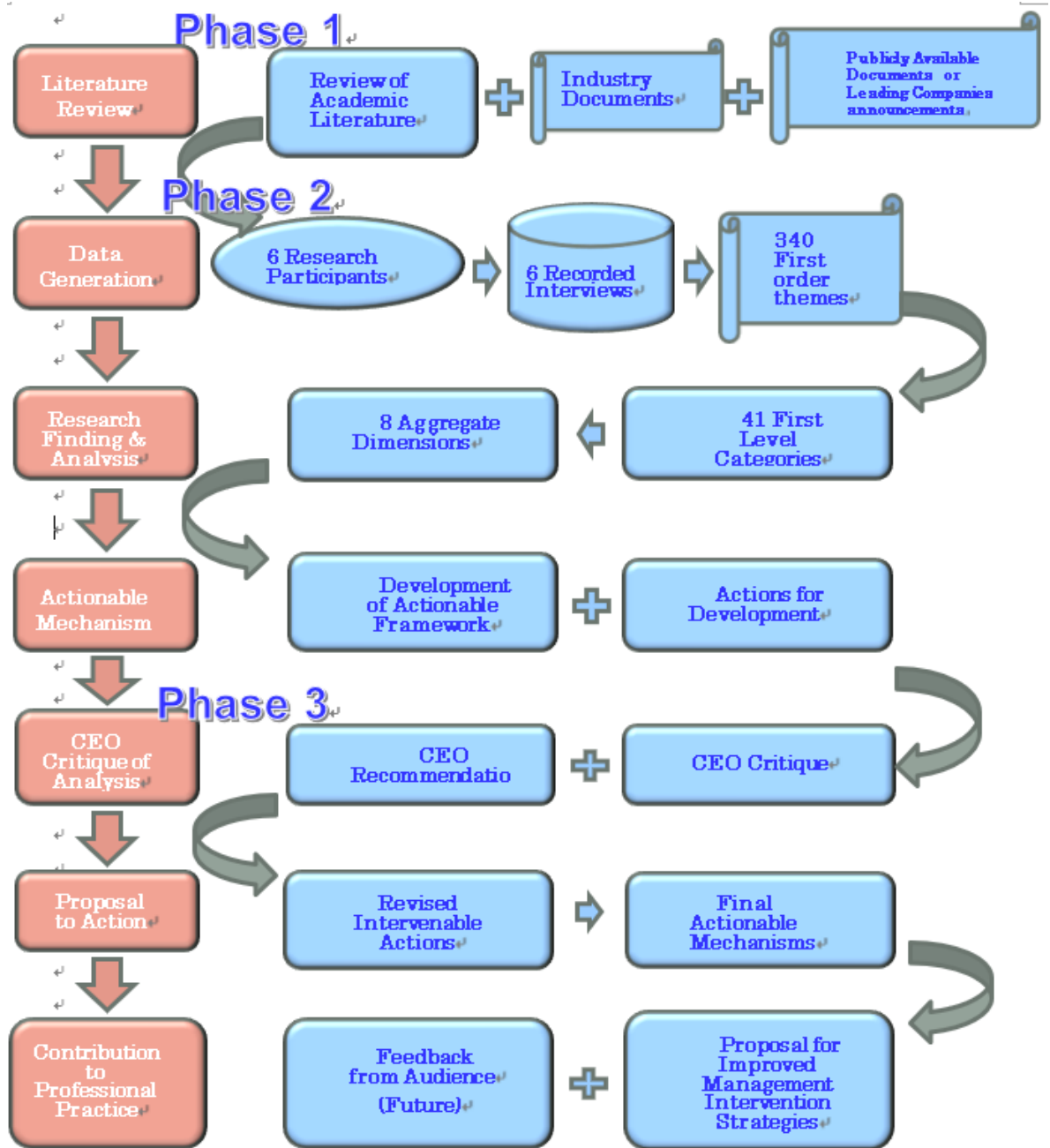


Figure 3.1. Research Process



### 3.2 The Researcher's Philosophical Position

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The research aim of this thesis is to discern actionable mechanisms for the production of good and saleable funds with superior stability and performance, derived from the grounded theory analysis of interviews with elite CEOs. This approach is to articulate the logical sequence of relationships between specific actions and the results from those actions. Theoretically, senior asset managers whose experiences make them informative participants in this research are not entirely independent and unbiased, but are rather subjective as their actions relate to their own profitability which may be in conflict with the interests of investors. My own experience as a CEO of HSBC Global Asset Management put me in a comparable position, and provides me with an insight into their worldview. The action-oriented form of inquiry pursued in this research and my role as 'insider researcher' (Coglan & Brannick, 2010) seeks to make a virtue of our deep knowledge of the subject matter, but requires that I am transparent in my interpretations of the interviews with the CEOs.

The research literature on ABS CAP that I have drawn upon is largely approached from a realist perspective and with positivist methodologies. Such research is not appropriate for my action-oriented aims and there is no intention in this thesis to verify positivist-like causal relationships. Yet, I have found it valuable in my engagements with elite CEOs, and in writing this thesis, to adopt the language of antecedents and variables. This is because such terminology may be understood as representing prior factors that speak to options for action on the part of my research participants. The philosophical position I adopt for conducting and writing my action inquiry in this manner is that of 'interpretative realism' (Denzin, 2009, p. 100). In this, I am seeking to provide reasoned arguments for actionable mechanisms to produce innovative fund products that fund managers will recognise (as *realistic*) from their professional experience. The logic that forms the basis of such reasoning is derived from a thematic analysis that seeks to discern actionable links between the antecedents/factors evident in the literature. However, because of my own experience in this industry, these thematic analyses and the resulting actionable mechanisms are imbued with my own personal *interpretations* of the situations faced by my CEO participants.

For avoidance of doubt, I re-emphasise that the use of terminology such as antecedents should not be taken by the reader to imply a positivist or post-positivist research philosophy. Rather, by seeking to integrate the learning from a largely realist literature with the subjective meaning-making of CEO participants and my own deep experience, I adopt the approach of interpretative realism in crafting this thesis. I believe this allows me to explain recommendations and justifications for innovative product idea generation in a framework more conducive to working from the real business world.

### 3.3 Selection of Research Participants

The selection of interviewees followed a purposeful sampling strategy. I chose elite CEOs from the asset management industry in Japan, as each has substantive knowledge and influence. To make the interviews effective and efficient, yet represent the highest level of industry knowledge and experience, I decided to select two leading companies from the asset management companies operated by major local financial groups, two leading foreign-owned asset management companies, and two smaller independent but influential asset management companies. In the major financial group category, there are three financial groups of companies led by their securities operations, Nomura Group, Daiwa Group and Nikko Group. In addition, there are three financial groups of companies lead by megabanks, namely Mitsubishi UFJ Group, Sumitomo Mitsui Group and Mizuho Group. I have selected one company from each of those groups by objectively evaluating their new product innovation capability and selecting the ones with the highest hit product ratio (i.e. a ratio of funds with the balance of over JPY10 bn (roughly USD100 m) against the total number of funds.) There are 31 foreign-owned asset management companies in Japan, the ones with the largest balance sheet and influence include Amundi, Goldman Sachs, JP Morgan, Deutsche bank, Pictet, PIMCO and Fidelity. I have chosen two companies out of these candidates by objectively using the hit product ratio. Influential independent asset management companies in Japan include Sawakami, Commons, Leos, Sparks and Saison. Equally, I have chosen two out of these candidates by using the hit product ratio as a measure.

List of CEOs interviewed (and their anonymised code used in this thesis):

Large financial group asset management company (Large Financial Group AM1).

Large financial group asset management company (Large Financial Group AM2)  
Foreign asset management company (Foreign AM1)  
Foreign asset management company (Foreign AM2)  
Independent asset management company (Independent AM1)  
Independent asset management company (Independent AM2)

The research was conducted anonymously as the disclosure of each entity's name would make it easier for readers of this research paper to understand the strategies of a particular asset management company. It was a very rigid condition from the outset that the research is made anonymously, otherwise the participation by any influential asset management companies would have been impossible.

The same CEOs who participated in the first interview participated in the second interview for critique and comment against the outcomes, thus contributing to create actionable mechanisms in a collective and collaborative manner.

### **3.4 Phase 2 of Research Process – First Round Interviews**

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#### **3.4.1 Data collection**

To ensure the smooth and efficient data collection from the various elite CEOs, I prepared a list of questions to use in the interviews. These questions, however, were prepared for stand-by purposes to ensure proper balance amongst each intervenable action. I argue that the perspectives and information volunteered by each CEO with regard to the intervention strategies for better innovation is something they think important rather than the ones prepared by the interviewer beforehand. Thus, the issues raised by the CEOs themselves is regarded as highly significant for my analysis. To the extent that other questions were not voluntarily addressed, I asked specific questions prepared beforehand to gain their insights for the purposes of my research. I made sure that all issues were addressed by each interviewee to gain their intelligence and insight.

The interviews were conducted in a free flow format. Although I prepared an interview protocol to explore the factors that could influence their product innovation capabilities, I allowed interviewees to talk freely during the first 20 to 30 minutes so I could understand what issues they have on their mind arising out of routine daily business. After the initial dialogue was over, I raised specific questions on any factors

not discussed, in order to invite their views on each one. Each of the CEOs consented to the recording of our meetings and all the dialogue was converted into written notes before any analysis was made.

The literature review has informed me and made me aware of the importance of the topics to direct towards my panel of CEOs to enrich my understanding. The questions prepared in advance as a result of the literature review include the following 19 questions (with relevant variables from the literature review shown in the parentheses):

- How do you identify innovative staff and how do you make use of that innovative staff? (Originator – intellectual resources)
- What sort of investment does your organisation make in order to enhance innovation capabilities? (R&D Investments)
- How does your organisation accumulate past knowledge and experiences to support future innovation? (Knowledge flow and accumulation structure)
- How are innovative ideas communicated and pooled? (Knowledge flow and accumulation structure)
- How does your organisation develop employees to make them more innovative? (Learning mechanism and education)
- Would there be emergent leaders for innovative products or pre-designated leaders? (Champion)
- How does your organisation pool your expertise within the organisation? (Knowledge flow and accumulation structure)
- How does management logic work in your organisation? (Management cognition and dominant logic)
- How does your organisation motivate innovative staff? (Task motivation)
- Would the innovative idea production be rewarded separately? (ABS CAP achievement incentive structures)
- How does your organisation monitor competitors' moves? (Competitor orientation)
- How does your organisation hear the voices of customers? (Customer orientation)
- How open and liberal is your organisation's culture? (Clan culture)
- How does your organisation exercise your coordination and consolidation capabilities? (Management combinative capabilities)
- How is innovation-related information communicated? (Information networks and internal communication)

- Do you have your unique way of describing an idea or things within your organisation? (Shared language)
- How are collective efforts and collaboration encouraged within your organisation? (Organisational structure for collaboration and integration)
- Is there any special mechanism within your organisation to share information quickly? (Knowledge sharing mechanism)
- How do you educate your staff to be more innovative? (Organisational learning)

### **3.4.2 Interview data analysis**

This subsection explains how the coding process is used in the analysis of the qualitative data generated from the interviews. As Creswell (2014) explains, coding involves the aggregation of the scripted interviews into small information categories that represent the core themes of the data (Creswell & Poth, 2017). The thematic analysis conducted in this research is done by actively utilising the grounded theory concepts to ensure ultimate independence, objectivity and neutrality of results. This is followed by the thematic analysis of the interview data and the interpretation of the actionable mechanisms relating ABS CAP to the production of new investment funds. The analysis proceeds via the development of 'first order themes', 'first level aggregate categories' and 'second level aggregate dimensions' (Gioia et al., 2013). The analysis supports the production of usable knowledge concerning the intervention strategies that might be used by leading asset management companies to improve the generation of innovative fund ideas in Japan. The generated data were captured from in-depth interviews conducted with the CEOs of leading asset management companies. The analysis focussed on several ideas of what fund idea innovation means to asset management practitioners and how they managed their business in the context of innovative fund idea generation. It captured key ideas related to their current managerial practices and intervention strategies for fund idea generation.

After the interviews were completed, analysis started by transplanting the recorded conversation into written format in Japanese first. After conversion to written form, the Japanese script was then converted to English by using the property and dimension method of grounded theory. The grounded theory applied for this research is not the pure grounded theory in its form and operational process, but is a spirit of making the research as rigorous and objective as possible. In particular, the logical approach taken by pure grounded theory by applying property and dimension concepts is very effective in excluding subjective views and finding out more objective categories from each and every statement of the CEOs. By doing so, I think I have successfully excluded a

substantial part of the subjective element, although some specific or individual characteristics of the statements by the CEOs remained to some extent as part of specific knowledge.

To assure the objectivity of the data, the interview code is broken down into property and dimension elements by seeking out the adjectives and adverbs – the properties of the categories. For example, about a friendship we might ask about its closeness, its duration and its importance to each party. Whether these properties or dimensions come from the data itself, from respondents or from the mind of the researcher depends on the goals of the research. Below I provide an illustration using interview data to show how such a conversion using grounded theory (property and dimension) is conducted. The original statement in direct quotation is as follows:

'Investment trusts are a market of JPY70 trillion, but there are no branded products. I've been asking people around me why. It appears that they don't have a clear answer. If you create a brand-name product, and if people have memories for that brand for a long time, you will have the same investment fund for a long time. If you lean on it for a long time, people won't change the holding portfolio, so you can't get any transaction fees. Thus you won't be profitable. In the long run, everyone says that having people to stick to the existing portfolio would never be beneficial to asset management companies although there is a small trailer fee. Increasing transaction fees by having people switch their portfolio should be the best option.'

This original dialogue is converted to property and dimension by eliminating all statements which include subjective judgment. The example such a conversion is shown as follows:

Property: The size of investment trust market?

Dimension: JPY70 trillion.

Property: Existence of branded products in the asset management industry.

Dimension: None

Property: Views of many people about the reason for the absence of brand in the asset management industry.

Dimension: No views.

Property: The behaviour of the market when there is a brand.

Dimension: Nobody will change the portfolio.

Property: Financial impact of no portfolio change.

Dimension: Less transaction revenue.

Property: Degree of requirement for brand.

Dimension: Negative.

Property: Reason for no requirement:

Dimension: Churning of assets is rare to happen. Thus, asset management companies will become less profitable.

Property: Views on having larger assets for trailer fee.

Dimension: Negative. Trading fee is much larger than trailer fee.

Each block of statements was labelled for easier search later. For the above example, the label 'General view why there is no AM brand' is given. Labelling is done for the purpose of sorting each group of dialogues into ones with similar content and meaning. Specifically, the labels were sorted into groups of concepts such as competition, small investor profile, importance of distribution channel, branding, familiarity. Each was then categorised into first order themes. Here, theme expresses the meaning behind the talk or scene or the main topic that the subject wants to be addressed in the story. The analytical routine then proceeded using Gioia's method (Gioia et al., 2013) as described below.

The analytical routine proceeds by clustering related first order themes and assigning them a label. This clustering process generates *first level categories*. All these first order categories are directly related to quotes from respondents and would be recognisable to them. In the second level of analysis, 'we start seeking similarities and differences among the many categories' (Gioia et al., 2012, p. 20). In this step, the first level categories are combined and labelled, thereby creating the *second level aggregate dimension*. Here, I moved away from the verbatim quotes of respondents to create 'descriptive codes, categories, taxonomies, or interpretative schemes that are adequate at the level of meaning of the informants' (Gioia & Pitre, 1990, p. 588).

This analytical process is iterative in nature, necessitating continual moves between the ideas identified in the literature review, the data generated from CEOs' interviews

and the emerging conceptual arguments (Miles & Huberman, 1994). A Microsoft Excel spreadsheet (a detailed illustration of the Excel spreadsheet showing the analysis is reproduced in the Appendix) was used to manage the process, with the data entered including initial literature concepts and empirical data from the interview transcripts. The empirical data worksheet included several columns, such as interviewee code, property and dimension, first order theme, first level category and second level aggregate dimension. Table 3.1 shows this five-column data structure prescribed in the Gioia methodology, which illustrates the analytical steps taken to organise respondents' quotes into themes and then into aggregate dimensions.

Table 3.1. The flow of empirical data in the research analysis and its layout in the Excel spreadsheet.



Interviewee Code	Property & Dimension	1 <sup>st</sup> Order Theme	1 <sup>st</sup> Level Category	2 <sup>nd</sup> Level Aggregate Dimension
				

Table 3.2 shows the overall numbers of themes/categories/dimensions, plus where they are listed and explained in this thesis.

Table 3.2. Summary of thematic analysis

Level	Total Number	Listing	Explanation
First order themes	288	Appendix B	Section 5.2
First level categories	44	Table 5.2	Section 5.3
Second level aggregate dimensions	9	Table 5.4	Section 5.4

The ultimate objective of the Gioia methodology is to explain the relationships among the aggregate dimensions, resulting in 'a vibrant inductive model that is grounded in the data (as exemplified by the data structure), one that captures the informants' experience in theoretical terms' (Gioia et al., 2012, p. 22). The rigour of these analytical routines means that explaining the interaction among aggregate dimensions generates propositions that are firmly grounded in the words of expert respondents. Aggregate



dimensions can then point the researcher in the direction of developing concepts, which are 'precursors to (measurable) constructs in making sense of organisational worlds – whether as practitioners living in those worlds, researchers trying to investigate them, or theorists working to model them' (Gioia et al., 2012, p. 16).

In this DBA thesis project, actionable knowledge or mechanisms is developed by describing the relationships amongst aggregate dimensions. Actionable knowledge is a theory that is firmly grounded in word data from key interviewees. These aggregate dimensions will become the building blocks for the mechanism of creating effective fund idea production. This process of the exploration of the relationship amongst aggregate dimensions is tantamount to applying methodological rigour into the qualitative analysis. In this manner, the research analysis will set the foundation for actionable knowledge that will be shared with the CEOs in the third phase of the research (Chapter 6).

### **3.5 Phase 3 of the Research Process – Second Round Interviews**

In the second round of interviews, the CEOs were invited both to critique the actionable mechanisms (from my analysis in Phase 2) and also to suggest management interventions, informed by the research findings, to improve innovation capabilities. The interview was conducted as follows. I explained in turn each of the aggregate dimensions that I generated via thematic analysis (section 5.4). A discussion followed each in which the CEO critiqued the findings on the basis of their experience and suggested implications for their company. Their critique generated actionable knowledge, i.e. organisational interventions that will allow asset management companies to be more efficient in introducing new fund products (Chapter 7). The interviews lasted for about an hour and a half to two hours, and were audio-recorded.

The discussions were candid and clearer responses from CEOs were obtained through this second interview process. The second round of interviews afforded them the opportunity to clarify the intentions and meanings of their initial statements. This allowed me to refine my interpretations and summarise the actionable knowledge as a new practical intelligence.

### **3.6 Presentation of Research Findings**

The findings, analysis and conclusions will be presented throughout the forthcoming chapters. Chapter 4 presents a narrative account of the findings solely from my examination of industry literature, industry publications and the articles from elite industry CEOs in Japan or in the world. Chapter 5 presents the thematic analysis of the data from the first round of interviews, and the interpretation of the actionable mechanisms relating ABS CAP to the production of new investment funds. In Chapter 6, I will describe any significant responses given by the participants at the second round of interviews.

## **CHAPTER 4 INTRODUCTION TO THE FINDINGS**

### **4.1 Introduction**

This chapter presents a narrative account of the findings from my examination of industry literature, industry publications and the interviews in the finance press given by CEOs in this sector in Japan or in the world, but not including any results from the elite CEO interviews.

This overview of the research findings represents a rich picture of the organisational challenges to enhancing ABS CAP and strengthening product idea generation capabilities. This chapter is the result of a review of existing literature (industry/organisational publications) and is expressed as a summary of my own critical pre-understanding of the trends in the Japanese asset management sector. The key background issues are: (1) the relationship with distributors where distributors are 'king'; (2) searching for investment themes for mega hits; investors' illogical preference for cash flow; (3) importance of wholesale business expertise or a logical approach to investment; (4) CEOs' short tenures which creates managerial inefficiency; (5) the recent moves by regulators for tighter regulatory control to increase investor protection; (6) cultural issues within asset management entities and brand creation struggles for sustainability. In Chapter 5, I will extend these critical reflections of my own by presenting a rigorous thematic analysis of the participants' experiences, stories and insights derived from the interviews with specific quotes from them.

### **4.2 Introducing Trends within the Asset Management Sector in Japan**

#### **4.2.1 The relationship with distributors where distributors are 'king'**

The environment that each asset management company is facing is quite similar; this is generally understood by industry participants. As a retail business grossly dependent on distributors for the sale of fund products, the relationship between an asset management company and its key distributors is very strong. The usual power position between them is that key distributors are endowed with power while asset management companies act as followers. Asset management companies are aware that small funds are hazardous for the health of the company as maintenance costs, including the publication of periodical reports, is burdensome and the management fees received from the fund is far too small to cover such maintenance costs. Thus, almost all companies are trying their best to close down small funds as much as

possible. The stumbling block for this initiative is the resistance from distributors. Distributors do not have to bear any costs or labour for small funds. For them, the inconvenience of closing a fund, together with complaints from investors, is something that they would like to avoid. If a fund is to be closed, there is an onerous procedure to follow, with many enquiries required of investors and this leads to many complaints. Such closures create a significant management burden for distributors and so they are extremely reluctant to have any fund closed. Japan is trying to create a new distribution model mimicking the ISA scheme in the UK (HSBC Global Asset Management, Home Page). That said, the lack of cohesion between the ultimate investor and distributor is a cause of concern, thus such implementation is extremely slow. Many asset management companies declare this elimination of conflict of interest amongst group companies (i.e. asset management company and distribution entity). For example, Chibagin Asset Management declares on their home page, 'We will accurately grasp transactions that may cause conflicts of interest within the group, etc., and implement appropriate management so that the interests of our customers are not impaired' (Home Page :Chibagin Asset Management).

#### **4.2.2 Exploring for an investment theme**

The investment trust community is looking for new themes for sustainable investment products. Currently, the CEO interview results tell that 'Life', 'Connectivity' and 'Resources' are considered important for human beings to lead happier and healthier lives. As to the investment theme of 'life', the current industry focus is on technologies such as antibody-drug conjugates (ADC), a class of biopharmaceutical drugs designed as a targeted therapy for treating cancer. Unlike chemotherapy, ADCs target and kill tumour cells while sparing healthy cells. In the 'connectivity' arena, 5G will launch in 2020 with speeds 100 times faster than it is now, enabling numerous innovations such as telemedicine to provide clinical health care from a distance. This could introduce a significant change in the way medical practices operate, particularly in remote areas. As Japan is the fastest ageing society in the world, the accumulated know-how of Japan for the effective use or reuse of 'resources' could provide a potential competitive edge in the future. All asset management companies are trying to capture sustainable themes ahead of others. Quite recently, we have seen a new asset management company called Thematic Asset Management established in Japan which sells its ability to follow strong investment themes (Home Page: Thematics Asset Management | Natixis Investment Managers).

#### **4.2.3 Investor preference for companies with higher payback to shareholders**

Industry publications dictate that for the past decade, there has been a strong preference by companies to repurchase shares using accumulated internal reserves. There appears to be a new wave of companies reinforcing this trend. For example, Royal Dutch Shell has declared that they will increase income distribution to shareholders from USD90 billion during 2016–2020 to USD125 billion. Globally, the trend to increase the repayment benefit to investors is gaining momentum. In 2018, 14,000 listed corporations in the world paid out, in the form of dividend or share repurchase, a total sum of USD3 trillion, the largest amount in history. In the current environment, investors are increasingly looking at companies with high income distributions (Reuters, 2019). As the global economy is facing uncertainties, investors are more willing to rely on actual income distribution from corporations rather than capital gains. In the asset management industry in Japan, investment funds with high income distribution are gaining popularity in the market. That said, the income distribution ratio of Japanese corporations, on average, is 67 per cent, far lower than that of Europe (121 per cent), the United States (84 per cent) and other Asian countries (73 per cent). This means there is more room to increase the income distribution by Japanese corporations. The cash reserve in hand by Japanese corporation amounts to JPY120 trillion (over USD1 trillion) and is considered excessive (Report by Investment Trust Association, 2019).

With less opportunity to make investments for future returns, there is more likelihood that cash dividends or share repurchases will gradually increase. Monthly distribution-type investment trusts were gradually gaining popularity, mainly for funds investing in overseas bonds, supported by the market environment of the weak yen at that time. Then, in December 2006, the monthly distribution-type investment trust reached its first boom. Finally, the net assets of the 'Global Sovereign Open (monthly settlement type)' reached 5.6 trillion yen (Report by Investment Trust Association, 2006).

By this time, against the backdrop of the Japanese economy, which was relatively sluggish with the global bubble economy, investor funds were directed to overseas assets, which are expected to produce higher yields. Looking at the top 10 net assets, not only foreign bonds, but also foreign stocks, foreign REITs, balanced investment trusts, and various investee funds, these have raised over 1 trillion yen, and the idea of international diversification has spread (Nikkei Asia, 2014). All of these attempts were for the sake of having higher yields and higher pay outs.

#### **4.2.4 Importance of wholesale expertise**

For asset management companies, it is generally understood that sticking to wholesale expertise is tantamount to abiding by investment theory. The players in the wholesale market are professional institutional investors with profound investment and/or private banking knowledge of wealthy individuals who consider investment part of their own business activities. Thus, sticking to the wholesale business theory means that investments have the logically diversified assets with potentially relatively high expected returns. It is usually believed that the wholesale investment theory in the long run (10 years) will provide sufficiently reasonable returns to investors if they follow the theory in making investments.

This theoretical approach for wholesale business does not necessarily receive a warm welcome by retail investors. The reason for the gap is that each retail investor has a unique asset mix from others. As a result, the specific benefits of and recommendations for a particular fund are sometimes hard for the investment consultants, sales staff or distributors to understand. It is usually the case that retail investors are unwilling to disclose the total picture of their financial wealth, which makes sensible professional recommendations next to impossible. Consequently, the judgment whether to buy the fund or not is solely dependent on the judgment of the individuals where decisions are not necessarily rational. That said, the objective of an asset management business is to have as many retail investors as possible to purchase and stick with the fund. As a result, a different approach to sales needs to be considered. Approaches from behavioural finance aspects, such as increasing familiarity by demonstrating the company as a good corporate citizen, sustaining the overconfidence of the individual investors and making use of herd behaviour in stressing excellent performance of one particular fund (and not all), are generally elaborated.

Producers value a partner who can provide comprehensive coverage guidance and consultative information, and for the most part, producers had positive comments about their wholesalers' expertise and knowledge (Home page: Technical Expertise and Product Knowledge - Five-Star Wholesale Brokers & MGAs 2019 | Insurance Business America ([insurancebusinessmag.com](http://insurancebusinessmag.com))).

#### **4.2.5 Insufficient experience of CEOs in the investment market**

Many leading asset management companies are part of large financial groups. There are numerous bank-centred or securities company financial groups in Japan

and without exception, those financial groups have asset management operations as part of their activities. This hierarchical structure of financial groups means CEOs of asset management entities are sent from within existing management at the parent banks or securities companies. A director only having experience in the corporate lending area or a director in charge of system development or credit risk could be assigned as the head of the asset management business for the group. Preliminary comments from the interviewees suggest that there are numerous cases of CEOs of asset management companies with insufficient knowledge about investment and the asset management sector. They may learn a little during the first year of the tenure, but usually, by the end of the third year, the person is transferred to other position within the parent group. This lack of specific expertise and understanding is a significant drawback for those asset management businesses to grow in a healthy way. For example, good CEOs would know that they should compete for the balance of the assets but some of CEOs are competing for the sale of the fund. One of the distinct examples is the previous and current CEOs of Mitsui-Sumitomo Asset Management, who were in the banking business line of the large banking group did not have any knowledge about asset management when they were appointed as CEO of asset management business of the group. The same applies to Mizuho Group and Mitsubishi UFJ Group as well.

There could be alternative solutions to fill in the experience gap of CEOs sent from the financial group headquarters: the active utilisation of the external director system. Active utilisation of an ex-CEO as external director of a company is rather rare. The Investment Advisory Association states that as part of the guarantee to prevent the emergence of conflicts of interest and to realise effective governance mechanism for manifestation, deploying an outside director who represents the interests of investors will strengthen investment capabilities. The problem is that the current Japanese asset management companies do not have outside directors, although such a mechanism is extremely convincing from the perspective of investors. The Investment Advisory Association's recommendation is that all asset management companies could think of the external director system as a tool. The system will introduce a mechanism for investors' increased profits by introducing representatives to participate in management (Home page: Investment Advisory Association).

#### **4.2.6 Open architecture of asset management business**

There are some asset management companies that manage their own funds. However, in Japan, according to industry sources, fund management is outsourced to

external investment managers, particularly when the assets are managed overseas. This type of open architecture triggers competition to secure a dedicated investment manager for the sale of the fund in Japan. The usage of external investment managers would trigger some cultural conflicts as the disclosures requirement by Japanese investors are far too meticulous and detailed than in any other part of the world. As a result, if the overseas investment manager is incapable of providing the required information in a timely manner, then the Japanese management company could face significant problems in handling customer complaints. Thus, the identification and education of overseas asset management companies to ensure that they understand business practices in Japan is a necessary activity. Currently, open architecture accounts for 70 per cent of the total distribution. Large financial group distributors do not usually apply open architecture due to the existence of an asset management company within the group, while independent or IFA type distributors tend to opt for an open architecture due to flexibility and a wider range of products that could be offered (NIKKIN INVESTMENT TRUST NEWS 2019. 5. 13 )

The same problem is reiterated by the Japan Investment Advisory Association as follows (Home page: Japan Investment Advisory Association):

'After all, the open architecture of the investment trust sales system has not progressed sufficiently. Of course, considering the responsibility of the trustee, distributors must choose the best for their customers. Efforts to choose the best should be the first priority, but for some reason the best one is among the affiliated asset management companies. It seems that there are many cases. Advances in open architecture will create competition between asset management companies and then increase the overall return and reduce the costs. The development of open architecture will increase competition amongst asset management companies, which in turn will lead to investor profits and will lead to an increase in the size of the market.'

#### **4.2.7 Move of regulators**

The Financial Service Agency (FSA) regulates asset management business in Japan. The concerted view of CEOs is that their current major concern is the move by distributors to churn assets or the constant promotion of funds by selling existing portfolios for the sake of handsome sales commissions. Consequently, most of the retail investors in Japan are not enjoying adequate long-term capital gains. Ideally, a retail investor would have a good mix of assets between equities and bonds so that the optimal risk/return ratio is realised. Many of the distributors are selling funds, one after another. The FSA does not like the current distributors' behaviour of selling funds



with a short-term perspective. Quite a few warnings to distributors have been issued. This type of FSA intention and behaviour influences the overall strategy of asset management companies. Consequently, many have established a policy that abiding by FSA rules is a prerequisite in establishing a new fund. Such a requirement is usually openly expressed by CEOs of the asset management companies, including Nissay Asset Management declaring the junshu of Japan Stewardship Code (<https://www.nam.co.jp/company/responsibleinvestor/stewardship.html>).

In relation to the Stewardship Code, the difference between the British Stewardship Code in comparison with Article 4 of the Japanese Stewardship Code is clear. Article 4 of the Stewardship Code in Japan says, 'Institutional investors strive to improve their problems while sharing awareness with investee companies through constructive and purposeful dialogue with investee companies. Through the expression of "dialogue with", we should share awareness with investee companies and strive to improve the problem.' There are other various detailed explanations for this, and as far as the explanations are concerned, there is no actual harm. If so, there would have been no need to establish a code that doesn't require explanation.

To be more specific, if this is the code that sets the example for the world, asset managers around the world should be able to apply this on a global basis, but it is not the case. The Japanese code is only appropriate under the Japanese environment. In other words, engaging, that is, complaining to the company in which you invest, is exceptional enough to require a proper procedure. If engaging happens, you can be an insider. Once you become an insider, the stock of that company can no longer be bought or sold. When that insider incident happens, the investment managers cannot fulfil the responsibility of the trustee. Therefore, in order not to violate the trustee responsibility, various internal procedures will need to be established. This very idea is exactly the opposite of what is written in Article 4 of the British Stewardship Code (Council, F.R., 2012. The UK stewardship code. *Financial Reporting Council, London*).

The Japanese stewardship code requires a very energetic 'dialogue with a purpose', so overseas portfolio managers are hard to hire. Of course, if you read the commentary, there is no problem. However, it is difficult to enumerate the explanations and conditionally adopt them.

#### **4.2.8 Liberal, challenging and diversified culture not pursuing immediate profit**

Some companies have established a very liberal, challenging and diversified culture not to pursue immediate profit. Usually, establishing such a culture is not that difficult if such a pursuit is short term. CEOs could bear short-term unproductive efforts but tend to abandon the efforts if the unproductive period is prolonged. The findings suggest that there are just a few asset management companies that had a long-term perspective for generating profit from new ideas. Firstly, such management decisions require a lot of tolerance. Only those CEOs who know the profitability mechanism of the organisation would be able to take such a risk. Of the more than 6,000 funds in the market, only about 400, with a fund size of JPY30 bn or more, would be profitable. Those successful funds have relatively unique investment philosophies or approaches which will be known by investors. In reality, there are three elements that are considered by the interviewees as required for a successful fund. Firstly, it should have good and clear logic as to why the fund could deliver superior performance in the prevailing environment. Secondly, it should deliver superior performance during the pre-launch period to prove the validity of the idea. Thirdly, the idea and the track record should be well received by the key distributors to the extent that they believe the fund could sell better than any other fund available in the market. This suggests that it is not only the liberal culture that is required by the CEOs of the asset management companies but also a deep understanding of the idea behind the asset management product and of successful fund launch mechanisms.

Recently, more asset management companies are claiming themselves as free and liberal in their product approaches. One example is J.P. Morgan Asset Management's Japanese equity management team that discovers investment ideas from 'free ideas' that are not bound by preconceived ideas, and the portfolio manager himself conducts company surveys across industries and the perspective of 'social contribution' is the basis for all stages of their operational process (JP Morgan Home Page).

There is a study showing that culturally diverse teams sustained by a free and liberal culture have the potential for enhanced creativity relative to culturally homogeneous teams. Evidence is provided that this can indeed occur, especially for tasks that are relevant to the cultural diversity represented in the team. To achieve a high level of creativity, culturally diverse groups employ effective cognitive processes and are highly motivated. Team experience, a positive team climate, effective handling of cognitive conflict and multicultural experiences, all supported by a free and liberal culture,

enhance performance in creative teams. Inter-team interactions provide a further opportunity to tap the creative potential of cultural diversity (Paulus & Yang, 2000).

#### **4.2.9 Performance, sustainability and brand of asset management companies**

Although it was not directly related to the central purpose of this thesis, all the CEOs mentioned the branding of the asset management company or its fund products several times. Many of the asset management companies regard investor literacy training as one of the most important things to establish a recognisable brand. Delivery of continuous good performance is important to establish a brand. Some regard the continuous outperformance as impossible to attain, others regard the continuous delivery of superior performance as feasible. The continuous outperformance relates to reliability of the fund management company and is thus important in establishing a brand. A more business-oriented company points out that realising distributor satisfaction is key to successful branding. There are various views as to whom the asset management companies regard as customers. Some regard distributors as customers, and others regard the ultimate individual investors as customers. This difference in notion leads to creation of a gap amongst asset management companies. Investor literacy training would be quite important, but the difference in recognising customers would make the focus completely different. Some asset management companies focus on literacy training of distributors and others focus on the ultimate investors. Literacy training would help the asset management companies as investors understand the investment philosophy of the asset management company and trust the capabilities of the company. Literacy training is a sure way to implant a reliable image in the mind of investors or distributors. Ideally, continuous good performance of the fund will make the asset management company a reliable brand. One such example is PIMCO, the largest fixed-income fund manager in the world. People rely on PIMCO not because the fund is managed by PIMCO but because of its long-term continuous superior performance. The outstanding performance has made PIMCO the leading asset management brand in the fixed-income investment category.

Some asset management companies are trying to replicate the same success as PIMCO, i.e. by delivering superior performance continuously, and believe that this could create a strong brand. Others are more dubious about the significance of delivering continuous superior performance, and hence have chosen to establish a brand through literacy training only. There could be other activities that enhance corporate image such as having in-house nursery facilities for employees' children and promoting employment of disabled people. Indeed, these efforts give people the

impression that the asset management company is a good corporate citizen. That said, it is not necessarily true that the funds managed by them are superior to competitors'.

Some companies value a direct relationship with investors as important. Once these investors regard the asset management company as reliable, they tend to stick to the investment portfolio of funds offered by that asset management company. Some companies choose the customer segment by themselves. They choose to establish relationships with small, long-term investors who invest small sums of money every month as part of a salary reduction. Such investors tend to be indifferent to the investment performance as they believe that the performance will be satisfactory in the long run. They do not care about the daily fluctuations of asset value as such fluctuations would mean little to them as they are determined to stay with the portfolio for a long time.

As mentioned above, delivery of continuous good performance is a necessary condition in creating a strong reliable brand, but it is not sufficient on its own to be recognised as a strong brand. Many asset management companies exercise a lot of effort to be recognised as a strong brand by investors in ways that are outside of fund management performance (Home page: Japan Investment Advisory Association).

The descriptive information presented in this chapter is derived from openly available industry information. This information will aid the reader in understanding the actionable mechanisms to be presented in Chapter 5. The next chapter probes more deeply into the themes with the CEO interviews by undertaking a rigorous qualitative analysis of transcripts from those interviews.

## **CHAPTER 5 RESEARCH FINDINGS FROM FIRST-ROUND OF INTERVIEWS WITH ELITE CEOS.**

### **5.1 Introduction**

Chapter 5 describes the results of the major interpretation process of interviewees' data. The interviews were held as planned and the results were recorded and converted into properties and dimensions for further analysis. The 288 first order themes were identified through the interpretation process. The development of concepts moved from the first order themes to first level categories and then were clustered into second level aggregate dimensions by way of finding out the causal relationships amongst all first order themes and first level categories. The output of this analytical process is detailed in the following sections.

### **5.2 Explanation of First Order Themes**

All identified first order themes are listed in Appendix B. The 288 first order themes discerned from the six research participants were clustered to create this category. For reasons of space, and to illustrate how the data from the CEO interviews led to the findings of these themes, the following subsection lists some substantive examples from these 288 first order themes, rather than the whole list. The selection of 'key' first order themes is made based on the frequency of the theme being repeated by the interviewees as well as the number of different interviewees covering the same theme. The 15 'key' themes are either quoted quite a few times by an interviewee or multiple interviewees. For example, the first order theme of 'attention to risk diversification' was mentioned 22 times throughout the interviews by five participants.

#### **5.2.1 Key first order themes**

As first order themes are the first substantive stage in the analysis, and directly linked to the categories/aggregate dimension that will form the actionable mechanisms, it is quite important that readers understand the most important key first order themes before the analysis progresses. Generally, key and important first order themes are ones that appear repeatedly throughout the subsequent thematic analysis process. A list of these key First order themes is presented in Table 5.1, along with the frequency with which this theme was mentioned (coded) in the CEO interviews and the number of CEO interviews that included this theme.

Table 5.1. List of Key First Order Themes

Key First Order Themes	Frequency of topics covered	Number of interviewees referred to the theme
Attention to wholesale expertise	35	1
Attention to risk diversification	22	5
Attention to liberal culture	14	3
Product idea generation – top down	5	1
Product idea generation – change in the market environment	5	2
Product idea generation – sustainability	9	4
Product idea generation – communication	6	2
Product idea generation – enquiry by distributors	34	6
Product idea generation – performance	33	5
CEO should know investment	20	1
Product idea generation – feasibility	11	1
Product idea generation - saleability	5	2
Product idea generation – organisational structure	12	2
Product idea generation – attention to cost control	32	2
Product idea generation – revival of funds	13	3

All these key first order themes are explained in the following subsections. These explanations are based upon the coding of the interviews and the sources of a particular viewpoint or experience is acknowledged with anonymised references such as Independent AM2.

### 5.2.2 Attention to wholesale expertise

The first order theme of ‘Attention to wholesale expertise’ represents the strategic intent of the organisation to fund idea generation. In this, it draws attention to the development of their product generation strategy. Wholesale expertise is nothing but

the fundamental technological capability of managing and creating funds. Since the clientele of a wholesale business are professional investors and large financial institutions, the level of expertise in managing the fund for this business is extremely high. The issue here is application of this professional knowledge into a retail format that is suitable for amateur, individual investors. The CEO of Independent AM2 made it very clear that the biggest challenge for asset management companies is for them to convert the existing expertise and knowledge gained in the wholesale business into successful retail products. He also reiterated that it usually takes five to ten years for them to successfully convert wholesale expertise into retail fund products, and he added that the culture dominating the wholesale business and the culture that exists in retail businesses are completely different. It is not necessarily the case that an extremely successful fund in the wholesale arena can also be successful in the retail arena. The CEO of Large Financial Group AM1 explained that such successful funds are popular amongst professional investors due to superior performance records. He added that retail investors are less concerned about small investment performance differences and are more interested in the story of the investment fund or future growth potential of the investment target. In the retail market, making the investment theme clear is far more important than pursuing theoretical risk reduction through diversification and an improved risk/return profile.

Following these remarks, my interpretation of the theme is that the cause of misunderstanding is that each asset management company is considering what they offer as the whole investment universe for that particular investor. It is not, and risk diversification is more likely to be done at a different level than the asset management company's product offering. It is more like a corporate finance theory that a company should not diversify their business to reduce risk, as such risk diversification is more effectively done at the customer investor level than at the company level. The CEO of Foreign AM2 explained that it is rather strange to find that investment horizons for an individual or professional investor are different. He added that usually the investment horizons for wholesale customers are fairly long, five to ten years, while that of retail investors are deemed to be fairly short. Thus, the conversion of wholesale product into retail product is not an easy task. The CEO of Independent AM2 echoed that: in theory, all investment targets, so far as they produce cash flow, can be converted into securitised products. Thus, any kind of investment that produces good cash flow returns could potentially be a good retail fund product.

### **5.2.3 Attention to risk diversification**

Thinking from the viewpoint of retail investors will result in a good fund. Risk diversification per se does not mean anything to retail investors, but attention to risk and thus having a better risk/return profile is important to provide an attractive fund to customers. According to the CEO of Large Financial Group AM2, paying attention to risk diversification is nothing less than providing for the long-term, sustainable performance of the fund. He also added that the focus on risk diversification, therefore, is central to establishing a fund with potentially superior performance against the risks taken. He also reiterated that natural disasters are unrelated to the state of economy. For example, growth of trees for paper production as well as production of solar energy could be unrelated to economic cycles. Such a lack of correlation would enhance the overall risk/return ratio and make the fund more attractive to retail investors. The CEO of Independent AM2 also confirmed that exploration of unrelated or reverse-related investment targets could be a start in creating a new innovative fund for the benefit of retail investors as they can offset the aggregate investment risks while enjoying the good theoretical returns.

#### **5.2.4 Attention to liberal culture**

Amongst the interviewees, the CEO of Independent AM2 was determined to establish an innovative culture within the organisation. He stressed that a liberal yet challenging and diversified culture which does not require the pursuit of immediate profit is important in generating innovative fund ideas. He also explained in detail that a degree of autonomy is required for a person to come up with an idea for a fund and then undertake a trial and error process to evaluate if the idea is valid or not. A highly mixed culture is helpful in developing and testing ideas. Some of the ideas need to be tested and therefore some costs could be incurred. He also added that cash flow is another element in considering the establishment of new fund, but he warned if it takes years for the project to generate cash, it is not considered feasible.

The CEO of Large Financial Group AM1 was supportive of the idea to encourage employees to have freedom to challenge a variety of fund ideas. A diversified culture sees each employee doing his or her own job in his or her own way. He stressed that this type of freedom is quite important in developing new fund ideas. The CEO of Foreign AM1 warned that changing the culture from professional investment advice to a retail public fund is seen everywhere in the asset management industry, but excessive entrenchment into a retail public fund may not be a successful option.



The CEO of Large Financial Group AM1 explained the difficulty that he is facing in establishing diversity. He admits that diversity in the origin of staff is a significant factor. That said, most financial group asset management companies are dominated by employees sent from the parent company. This dominance will create a monoculture, where innovative ideas are unlikely to be generated or processed to create new products. He also warned that the diversity between Japanese and non-Japanese staff is also a significant element in encouraging new ideas, but it is difficult to pursue. The CEO of Foreign AM1 mentioned that HR policies could influence the creation of a corporate culture, since they could encourage diversity and thus different values to have a truly global perspective. He added that the tenure of employees is also important for product development and needs a degree of experience to be effective in creating valid fund ideas. The CEO of Large Financial Group AM2, who is routinely involved in the multicultural environment, said that the exchange of information between similar businesses operating in different countries can give considerable insight into potentially innovative fund ideas. Overall, the concerted view of the elite CEOs is that liberal culture and diversity are quite important to foster an innovative environment.

#### **5.2.5 Product idea generation – top down**

Intervention from the top down tends to be done to set out the strategic direction for product development. However, according to the CEO of Large Financial Group AM2, business sometimes relates to specific types of funds considered suitable for sale in view of their extremely good track record and sustainable investment themes. Nonetheless, a concerted view of the elite CEOs is that, generally, senior management involvement is more of by way of an indication regarding moves of regulators or mega-trends, such as change in consumption patterns or change in demographic patterns, as a basis for new economic development. For example, the CEO of Foreign AM1 said that it could be argued that fiduciary duty, when it is displayed to the greatest degree, could be a weapon in successfully establishing a brand. The top down message is more like an expression of focus.

The CEOs have their own views of what will happen to the investment market in the years to come. With that type of vision in mind, the CEO of Large Financial Group AM2 believes in a certain areas of focus for potentially saleable future investment products and a push towards these products is often directed from the top. He added that the response to such top down initiatives varies according to the corporate culture and individuals who receive the message. However, he added, if the top down initiatives

correctly point out future avenues for innovative products, then the chance is quite high that the new fund idea will be warmly received by the market. Nevertheless, he admits that sometimes the top down initiatives fail due to sudden environmental or market change that is outside of the control of any company. For example, an initiative to focus on China and Asia turned out to be a complete failure due to the trade war triggered by President Trump.

#### **5.2.6 Product idea generation – change in the market environment**

A change in the market environment is a strong opportunity to come up with an idea for a new fund product. The change needs to be sufficiently long term for the relevant fund idea to be valid and effective for investment purposes. The CEO of Foreign AM2 pointed out that the fundamental issue is to be satisfied that the change will provide investors with the opportunity to profit from the new innovative business. The CEO of Large Financial Group AM2 quoted an example saying that a change in the market environment is the arrival of the Millennium generation as potential investors. It is expected that the buying behaviour of the Millennium generation will be completely different from previous and current generations. He elaborated that the change in lifestyle, difference in values and changes in spending behaviour are things the industry will have to consider, as a profound change in the market may change the profit potential and profit forecast of corporations completely. He added that the shift of wealth from the existing generation to the Millennium generation is expected to happen in Japan very soon. He explained that currently, existing wealth is predominantly held by people over the age of 60. Thus, change in market environment is considered to be very important but should be analysed from the perspective of the growth potential of new businesses. He stressed the importance of paying attention to this point as the change could result in a complete change in monetary circulation in the real economy. He firmly believes this type of long-term change will have a profound impact on the selection of investment targets expected to have strong growth potential.

#### **5.2.7 Product idea generation – sustainability**

As part of the general understanding, regulators are not prepared to see financial institutions churning funds one after another with little long-term benefit to investors. CEO of Foreign AM1 explained that with the long-term benefit of investors in mind, short-term fashionable funds are not welcomed by regulators and, without the blessing of the regulators, no fund can be successful. Thus, the sustainability concept is of paramount importance for a new fund to be successful. He added that sustainability means a lasting investment. As a result, the potential size of the investment market for

the fund is important: too small a potential market makes it impossible to have adequate funds to be invested into a fund opportunity. The CEO of Large Financial Group AM2 stated that sustainability is sometimes the product of investor confidence in the delivery of a good investment performance. He commented that in rare occasions this is possible, and in such cases the better performance lasts quite a long time to make it seemingly sustainable. Even amongst such a sustainable concept as investment in China, there has been boom and bust over the years due to political and economic uncertainties. He added that recent examples of sustainable concepts include Fintech-related funds, robotics and autonomous driving.

### **5.2.8 Product idea generation – communication**

The CEO of Large Financial Group AM1 mentioned that researching fund ideas through investigating existing funds around the world can produce potentially interesting ideas but he opined that these need to be tested by communication with potential distributors. The CEO of Large Financial Group AM2 explained that communication with distributors is normally done through the sales team. Communication could be done at the time of inviting new fund product ideas and when confirming the reception by investors against a new fund idea. In any event, he opined that it is imperative that feedback by distributors is obtained to gauge the likely investor appetite for the product prior to launch. He further explained that communication includes that both between the product team and the investment team, and between the product team and distributors via the sales team. He opined that the frequency of communication can be based on scheduled, formal exchanges or on an ad hoc basis. The CEO of Large Financial Group AM1 said exchanges of views from different perspectives, whether local or overseas, are considered together to reach a conclusion. He reiterated that the exchange of product ideas is done on a rather ad hoc basis at the time the regular activity reporting is done. The communication sometimes originates from the distributors. The distributor enquiry is made through the sales team to see whether the fund in need is actually on offer by the asset management company somewhere. The CEO of Large Financial Group AM1 regarded this acquisition of such information extremely important.

### **5.2.9 Product idea generation – enquiry by distributors**

The CEO of Large Financial Group AM1 explained that distributors sometimes enquire about the specific nature of product at the request of their client or of their own accord. The enquiry is usually made in respect of a specific form of product to see whether the asset management company is capable of managing such a fund or has

any track record of doing so. It appears that this dialogue and testing of ideas by distributors with asset management companies is an invaluable process in helping to develop ideas for new product launches. The CEO of Large Financial Group AM1 confirmed that this dialogue is normally done via the asset managers, but on some occasions, product team members can engage with distributors directly to test their ideas.

#### **5.2.10 Product idea generation – performance**

The CEO of Large Financial Group AM1 opined that it is almost impossible to deliver excellent performance on a continuous basis. The CEO of Independent AM1 suggested that due to the gap and erroneous financial structure, performance could be sustainable in certain cases. The same CEO mentioned that in such cases, the out-performance could be a source of branding that enables the fund manager who had discovered the gap to deliver superior performance all the time. On this issue, the CEO of Foreign AM2 said that, obviously, continuous delivery of good results will create a reliable brand that is preferred by investors. However, he warned that distributors' normal behaviour of churning assets – thus earning more sales commission – is unhelpful in establishing good fund performance. Independent AM1 opined that if one could identify the source of underperformance, one could eliminate those from the portfolio resulting in superior performance. Thus, continuous good performance is regarded as the source of a strong brand. However, The CEO of Independent AM1 had a view that the key is not necessarily good performance alone but also good relative performance. As a result, he further mentioned that a good fund product can suddenly start to sell quite well once its good relative performance is recognised by distributors or investors. So, his conclusion is that the importance here is not an absolute performance but relative performance with competing funds. Sometimes the behaviour of customers or investors influences the actual performance of the fund itself as redemptions would incur costs for the fund, thus jeopardising the performance after costs.

#### **5.2.11 CEO should know investment**

The CEO of Large Financial Group AM2 expressed a view that when a CEO understands the investment industry, he can help differentiate his group's funds from others in the industry. For example, fund performance can sometimes be enhanced if one knows the composition of the competing index well enough. The CEO of Independent AM1 opined that it is an obvious advantage if a CEO has substantial knowledge about fund management. For example, when the market trend is against

the portfolio, then some companies have increased the cash ratio to up to 50% of the total asset. This treatment gives the fund manager a lot of room to manoeuvre through the difficult period. The CEO of Large Financial Group NO. 2 said that some CEOs believe that CEO has a lot of influence on the nature of the products that are introduced to the market (he said others are less sure). If the CEO has no real investment knowledge, then it is hardly possible for him or her to come up with a helpful idea for a fund product. This is a significant disadvantage in comparison with competing asset management companies that have investment-aware CEOs. The CEO of Independent AM1 raised a problem saying that the issue is that due to asset management companies being part of a large financial group, it is almost always the case that a newly appointed CEO has little or no investment industry experience. This slows down the speed of innovation in that company and the industry as a whole.

#### **5.2.12 Product idea generation – feasibility**

The CEO of Foreign AM2 opined that notions such as Artificial Intelligence (AI) is attractive in terms of image, but it is rather hard to implement due to the lack of effective AI systems. However, technological development will no doubt make it feasible for AI to autonomously manage funds in the foreseeable future. At present, AI is primarily used in the analysis of thousands of reports from natural language analytical approaches.

The most effective current use of AI is in the comparison of different algorithm trading methods. Each algorithm has strengths and weaknesses depending on the market conditions. The CEO of Foreign AM2 stated that AI would be used to spot the most effective algorithm trading method for the relevant market condition. The idea could be attractive when the image is favourable for future development. That said, feasibility of the outcome of the change needs to be assessed for the new idea to be meaningfully valid. The CEO of Foreign AM1 added that AI analyses disclosure documents, academic papers, intellectual property application documents etc. and selects investment targets systematically and objectively. In each category of investment, including genetic engineering and space development, indexes are developed to facilitate investments along with these themes. He also warned that as investment into new areas increases, the management costs of the fund and the development of indexes would benefit the investors by reducing the investment management costs substantially. A representative illustration is that, on average, industry data shows that management fees for thematic investments ranges from 1.5% to 2.0% per annum, while that of ETF that monitors indexes ranges from 0.5% to 1%.

### **5.2.13 Product idea generation – saleability**

New investment funds ideas may appear to be attractive initially, but they need to be tested for saleability with the distributors. The CEO of Large Financial Group AM1 said that dialogue with distributors, normally through the sales team, is extremely important in gauging the likelihood of success on launch. The CEO of Large Financial Group AM2 mentioned that from the macroeconomic perspective, there are people in charge of research who predict what kind of impact the fund will receive if there is a certain incident happening in the market. He added that no new fund idea is of any value unless the fund is well received by the investors. It is therefore imperative that we gauge the size of the demand by the investors prior to the launch of the fund. The CEO of Large Financial Group AM1 said that the most practical way to evaluate the size of demand is to test the idea with the distributors who constantly have communication interface with actual investors. As a general rule, if the distributors are positive about the idea, then the likelihood of success of launching a new innovative fund idea is relatively high.

### **5.2.14 Product idea generation – organisational structure**

The structure of the organisation and how it is established to encourage product idea generation is important. Organisations could have different structures to develop new fund concepts. The CEO of Large Financial Group AM1 suggested that it could be structured in different stages: firstly to encourage idea generation; secondly to fine tune the product or idea; and finally to monitor and review the fund after the launch. Alternatively, there could be official product idea meetings where all staff are encouraged to attend to present their ideas for possible products. The CEO of Foreign AM1 explained that in practice, staff in charge of investment, sales or the products themselves are the most likely players to come up with the ideas and actively engage with others to improve their ideas. The CEO of Foreign AM2 gave a detailed explanation that the product team is in charge of turning the idea into a practical product. The screening criteria will be, firstly, how the new fund product is likely to appeal to investors and how the new fund could benefit the investors. Then the new fund idea is brought to the distributors for their comments through the sales team. According to him, all details, however small, such as settlement days etc. are discussed to create the most attractive fund product for investors.

### **5.2.15 Product idea generation – attention to cost control**

The CEO of Independent AM2 said that for asset management companies to be competitive in the market, controlling costs is essential. Small funds that incur a lot of costs in reporting investment performance and related maintenance costs are at a disadvantage when competing with larger peers. He opined that redemptions and the process of redeeming units, therefore, are a significant factor in reducing the total costs for the maintenance of the funds. The CEO of Large Financial Group AM2 had a view that digitisation of fund management processes should streamline the operational processes. In practice, it is hard to control fund reporting and maintenance costs. Direction towards redeeming small funds is the most effective way to manage the unnecessary costs incurred. He mentioned that many of the asset management companies set out a rule to redeem an equal number of funds as they create new funds. Simplifying operational processes could be part of the solution that contributes to cost reduction.

The CEO of Large Financial Group AM1 said when it comes to closing funds, there are also factors that need to be considered, more specifically, the nature of distributors and whether they are powerful ones or miscellaneous numbers of distributors. The CEO of Independent AM2 is of a view that the direction given by the Financial Service Agency (FSA) is that small funds need to be consolidated as much as possible, thus the requests by asset management companies to close funds is received more favourably these days in comparison with the past. He further opined that the origin of small funds is sometimes attributable to the distributors as some funds were created at their request. However, the same distributors failed to meet the expected sales targets. As a result, such funds are small and the revenue from them fails to meet the costs of reporting and maintenance.

#### **5.2.16 Product idea generation – revival of funds**

The CEO of Foreign AM2 stated that a fund created a long time ago, but which has maintained good performance could be re-presented with a more contemporary concept to current market conditions. The CEO of Large Financial Group AM1 reaffirmed that if the theme has universal application, the chance that the fund can be repromoted for revival in later years is higher. The CEO of Foreign AM2 had a view that over time the same fund can be marketed from different angles stressing entirely different attributes from the earlier sales campaigns. Some of the funds remain small whilst performance continues to be respectable. The CEO of Large Financial Group AM2 has a view that this type of fund could be revived once proper attention is given to it by responsible people.

### 5.3 First-level Categories

The first order themes were reviewed to identify similarities in ideas coming from the research participants, with similar first order themes being grouped to form a cluster of first order categories. Each category was given a label which expressed the higher order theme. These categories were related to intervention strategies for fund idea generation to enhance absorptive capacity, and were given a label that summarised the idea underpinning the cluster of first order themes.

The importance of the key first order themes noted in section 5.2 was further supported through this categorisation process. Even after the clustering of other first order themes, the important ones suggested in the first round of the analysis (Section 5.2) were still amongst the most significant. Therefore, these key first order themes were treated as first level categories.

The total number of identified first level categories was 44. The labelling of each category came either from concepts in the literature or were identified by the research participants as important for analysing the intervention strategies for fund idea generation. For example, the category labels used that were initially identified in the literature review included attention to risk diversification and product idea generation – sustainability.

Table 5.2. List of first level categories with the number of first order themes and the number of participants that shared these themes.

First level categories	No. of First order themes	No. of participants generating these themes
Advantage of having many distributors	3	One
Attention to risk diversification	15	Five
Branding – general	17	Two
Branding – by performance	6	Two
Branding – corporate image	11	Two
Branding – customer satisfaction	4	One
Branding – direct sale	21	Five
Branding – investor literacy	19	Three



Branding – need for strong brand	24	Two
Branding – distributor literacy	7	One
CEO should know investment	20	One
Disappointing distributor behaviour	22	Four
Fund cost/benefit analysis	2	One
Good fund product can sell	1	One
Investment trust market analysis	5	One
Liberal culture	14	Three
Marketing strategy	4	Two
Open architecture	1	One
Product idea generation – attention to cost control	32	Two
Product idea generation – capable individuals	1	One
Product idea generation – communication	6	Two
Product idea generation – concept	2	One
Product idea generation – enquiry by distributors	34	Six
Product idea generation – environmental change	5	Two
Product idea generation – feasibility	11	One
Product idea generation – fund management capability	1	One
Product idea generation – individual	1	One
Product idea generation – investment team	2	One
Product idea generation – market environment	2	Two
Product idea generation – performance	33	Five
Product idea generation – process	1	One
Product idea generation – research	3	One
Product idea generation – revival	13	Three
Product idea generation – saleability	5	Two
Product idea generation – source of idea	4	One
Product idea generation – organisational structure	12	Two
Product idea generation – sustainability	9	Four
Product idea generation – top down	5	One

Regulators move	4	Two
Attention to wholesale expertise	35	One
Risk diversification	7	Two
Small investor profile	10	One
Solid fund management experience	3	One
Source of fund product ideas	3	One

As one illustration of the construction of the first level categories, Table 5.3 shows all of the first order themes that constitute the category of ‘product idea generation – revival’. A total of 13 different first order themes conveyed from three different research participants were clustered to create this category. Taken together these first order themes offer a rich explanation of the category ‘product idea generation – revival’ (in this context).

Table 5.3. Example of ‘Product idea generation – revival’ for first level categorisation development.

First order theme	First level category
Long-lived fund with reformed theme can become a good selling fund	Product idea generation – revival
Sustainable theme could potentially be revived if the past track record is respectable	
Sustainability of concept is important for revival fund	
Revival fund was originally launched by the initiatives of sales team but was good performing due to the efforts by the investment team	
Revival fund is preferred by distributors	
Looking at the fund from different perspective so that new story telling could be done	
Potential revival fund needs scrutiny by all participants	
Revived funds have specific stories	
Revival fund initiated top down could be possible	
Story is important for revived fund to be sold	
Fund promotion is important for revived fund as well	
Everybody is looking for the potential revival fund candidate	
Long-lasting funds could potentially be candidates for the revived fund	

Flexibility in human HR lies in contracting with experienced calibres that are mobile and accepting short-term contracting	
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#### 5.4 Research Analysis: Second Level Aggregate Dimensions

The next step in the analysis of research data involved the combination of first order categories into more abstract aggregate dimensions. These aggregate dimensions represent the key underlying themes from the empirical data that should explain the influence of management intervention strategy to enhance ABS CAP for better innovative product development of asset management firms in Japan. This section explains how different categories were combined to reflect an aggregate dimension relating to the effective intervention strategy to enhance ABS CAP to create innovative funds. This final stage in the coding operates in a nonlinear, iterative manner (Locke, 1996).

The process for generating these aggregate dimensions proceeded as follows. Different combinations of first level categories were combined in an attempt to process a coherent set of aggregate dimensions (Gioia et al., 2013). For example, categories represented wholesale expertise, retail concepts and good saleable funds were combined as preceding conditions, action strategies and consequences under an aggregate dimension called 'communication and knowledge sharing'. Other categories related to liberal culture and trial and error attempts were combined to form an aggregate dimension called 'good aggregate saleable fund'. A third example was categories related to 'product idea generation – investment team'; skills and experiences and product idea screening were combined in another dimension labelled 'managerial combinative capabilities and shared language'. A fourth aggregate dimension was related to the environmental change, research input and product idea screening. This aggregate dimension mainly included knowledge sharing; hence this fourth aggregate dimension was labelled 'knowledge sharing'.

The analysis of 288 first order themes and 44 first order categories resulted in generating a total of nine second level aggregate dimensions (Table 5.4). These are each explained in the subsections below. Each subsection includes a figure that illustrates how the aggregate dimension has been constructed from first order themes and first level categories. The figure includes only an illustration of the constitutive themes and categories because their actual number is large and not easily included in such diagrams. (Please refer to the Appendix for an illustration showing the detailed

analysis for one interview.) Each subsection explains the meaning of the aggregate dimension. Through this coding process, the analysis acquired a higher level of abstraction progressing from empirical data to developing aggregate dimensions (key themes) from which actionable knowledge could be created. Therefore, links are also made in each subsection to the appropriate literature.

Table 5.4: List of second level aggregate dimensions

	<b>Second-level Aggregate Dimensions</b>
1	Clan Culture
2	Management Combinative Capabilities
3	Management Originator – Intellectual Resources
4	Knowledge Sharing Mechanism (1)
5	Knowledge Sharing Mechanism (2)
6	Knowledge Sharing Mechanism (3)
7	Establishment of Information Network
8	Development of Individual Cognition
9	Creation of Brand

#### **5.4.1 Clan culture dimension**

The first aggregate dimension is ‘clan culture’. This is addressed diagrammatically in Figure 5.1. The left-hand column in Figure 5.1 includes an indicative selection of the first order themes from the research participants, e.g. ‘Liberal culture’, ‘Regional focus fund against the wholesale risk diversification concept sold well in retail’ and ‘Pick out saleable funds from the shelf prepared by investment team’. These themes reflect processes undertaken in the leading asset management firms in Japan and were derived from my interviews. For example, one CEO said, ‘In [my company], ambitious attempts to create innovative funds are encouraged even if there is a genuine risk that the idea will fail. This reflected the CEO’s appreciation that the net benefit from a few big successes will easily surpass the costs of various ideas that fail’ (Large Financial Group AM2). Another CEO observed, ‘In the company, everybody is doing a number of different things which, once out together, can create a viable innovative product’ (Large Financial Group AM1).

A liberal culture that enables genuinely novel ideas such as a regional focus fund could potentially result in a more positive uptake by retail investors for these novel funds; thus, a culture that actively encourages innovation is positively correlated to an

enhanced potential of successful funds. In addition, it follows that the intervention strategy of encouraging a liberal culture and not pursuing immediate profit is essential for such a culture to flourish and the possibility of more successful innovative products.

From the theoretical perspective, culture, together with an organisation's existing resources, tacit and explicit knowledge, internal routines, and management competencies is important in enhancing the level of ABS CAP (Gray, 2006). Culture is required to constantly challenge the existing cognitive frameworks. Clan culture is openness to change for diversity (Kanter, 1983) and is a motivation-related antecedent variable. A clan culture stresses employee participation, teamwork and cohesiveness and is supportive of motivation (Moorman, 1995). The higher in the organisation that management is willing to be open to change, the more likely the organisation is to innovate (Calantone, Gaqrcia & Droge, 2003).

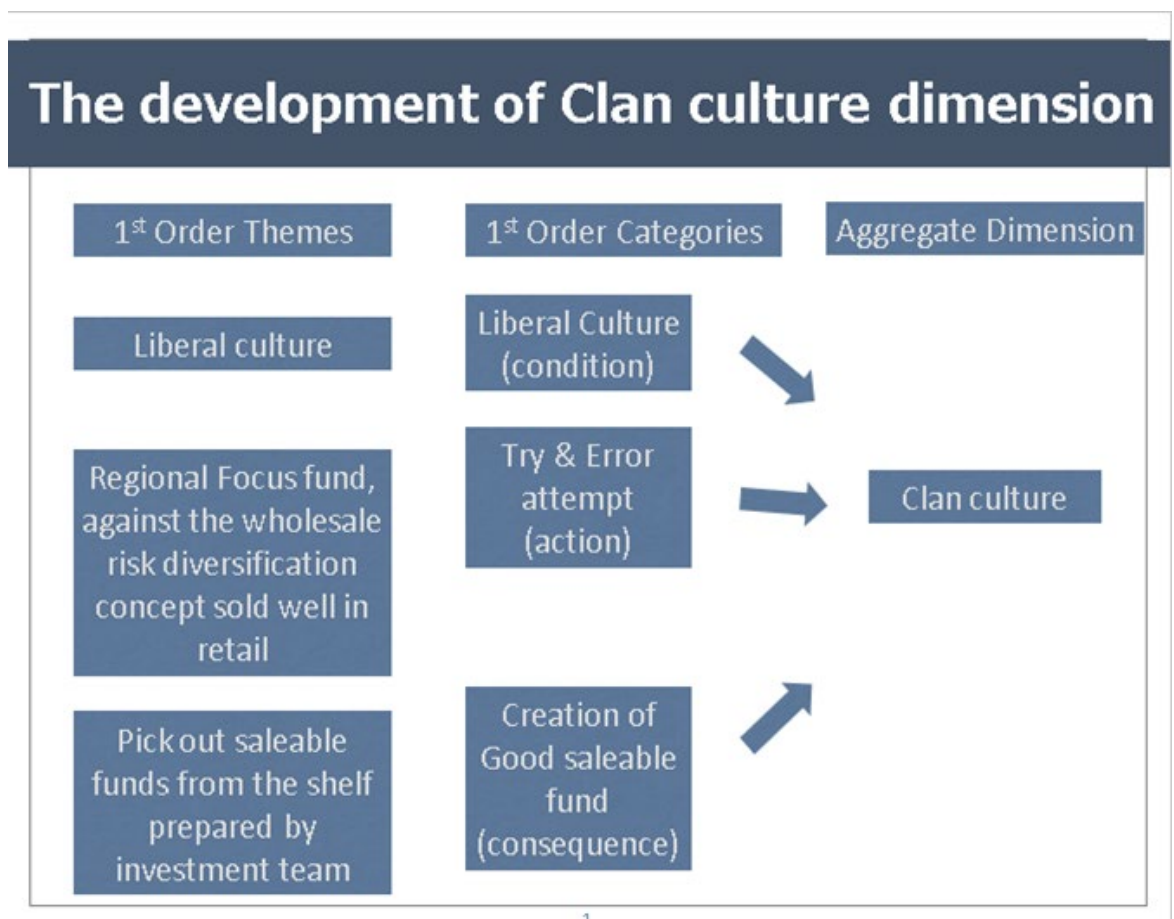


Figure 5.1. The flow of development from first order themes (indicative illustrations) to first level categories and the later aggregate dimension of 'clan culture'.

#### 5.4.2 Management combinative capabilities

The second aggregate dimension, illustrated in Figure 5.2, shows the corresponding structure for 'management combinative capabilities'. This dimension captures the importance of capabilities for the organisation to manage knowledge. Representative constituent first level categories for this dimension, highlighted in the interviews, include 'daily conscious efforts of product team', 'self-study and discussing with people', and 'gut feeling of distributors'. Specific quotes from the interviewees include: 'Product team members are constantly exploring new ideas with risks that could be separated from stock beta, thus could have significant diversification benefit with smaller risks and higher returns' (Foreign AM2); 'The examples of different risks include disaster insurance, solar energy, etc. that could be indifferent to usual economic cycles' (Independent AM2); 'After the initial trial and error process, we noticed that the most important part of the process is the ability to explain the benefit of the new fund to retail investors in a simple way' (Large Financial Group AM1).

From the theoretical perspective, besides managing the accumulation of external knowledge, management should adapt their combinative capabilities (systematisation, coordination and socialisation of knowledge) to succeed with strategic innovation (Gebauer, Worch & Truffer, 2012). Combinative capabilities, i.e. how a company systematises, socialises and coordinates knowledge (Zollo & Winter, 2002) could either contribute to or hinder learning processes and the corresponding level of ABS CAP (Ban Den Bosch et al., 1999). Attention needs to be given to how combinative capabilities interact with the ABS CAP learning processes. Creating an in-depth understanding of the interaction between combinative capabilities and learning processes could explain why, in similar business environments, some companies achieve better innovative results than others, through converting external knowledge into strategic innovations (Dyer & Singh, 1998). Accordingly, asset management companies' combinative capabilities and their influence on the ABS CAP learning process is one issue to highlight in this research.

The practical implication of this aggregate dimension is that ideas need to be shared. Ideas created by individuals need to be shared with others through appropriate communication and ultimately be tested with potential distributors. The promotion of an exchange of potential product ideas is a function of management combinative capabilities. The sharing of knowledge amongst related parties is the knowledge sharing mechanism of the organisation.

## The development of Management combinative capabilities dimension

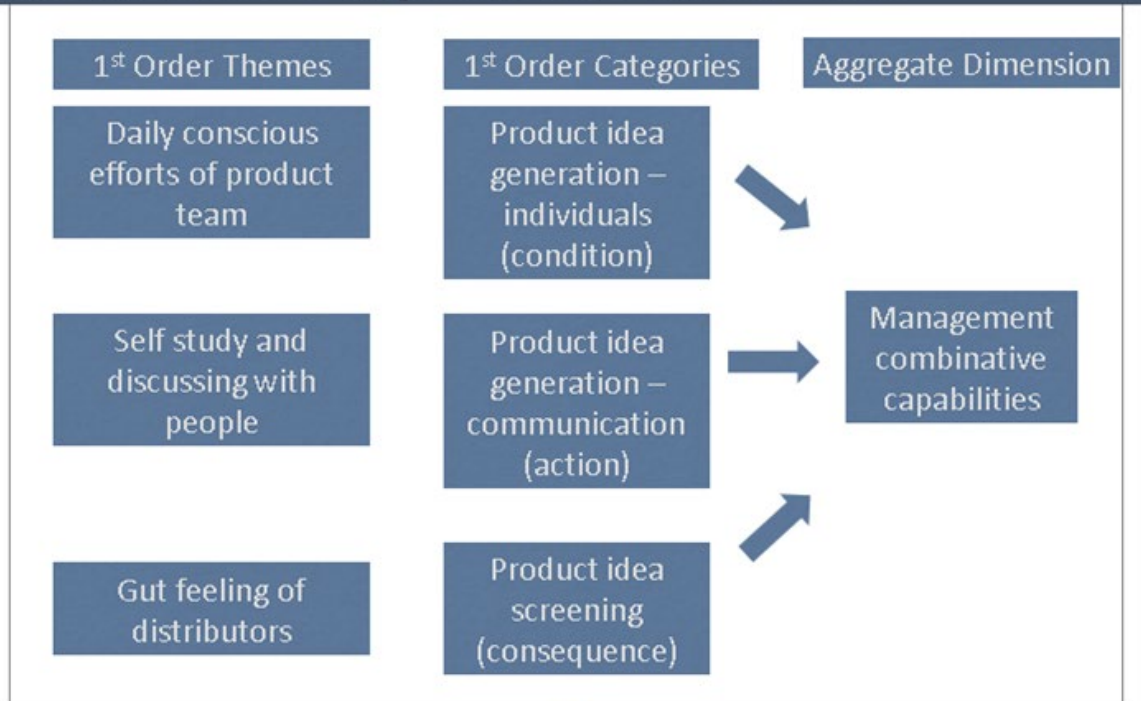


Figure 5.2. The development of the 'management combinative capabilities' dimension.

### 5.4.3 Management originator – intellectual resources

The third aggregate dimension, illustrated in Figure 5.3, shows the corresponding structure for 'management originator – intellectual resources'. This dimension captures the importance of intellectual capabilities of individuals as product innovators. Representative constituent first level categories for this dimension include: 'Product idea generation by individuals', 'Product idea generation through communication and 'Product idea screening'. Indicative first order themes include 'Daily conscious efforts of product team', 'Self-study and discussing with people' and 'gut feeling of distributors'. Illustrative quotes from interviewees include: 'The key is more of the correct application of wholesale investment principles into the retail environment rather than the generation of product ideas themselves' (Independent AM2); 'There are a number of people outside of the organisation that you can speak to. They include government officials, trading specialists, engineers, etc.' (Independent AM2); 'The fundamental difference between retail investors and wholesale investors is that the former is conscious of daily liquidity while the latter is indifferent to securing a daily liquidity and is able and willing to wait for a significant period of time for potential returns' (Foreign AM1).

From a theoretical perspective, the originator of the idea, whether it is incremental or disruptive, first identifies the problem to be addressed or opportunity recognised (Leifer et al., 2000). Through their empirical studies, Cooper and Kleinshmidt (1995) argue that spending additional time and effort in the early stages is proportionately rewarded by the enhanced level of ultimate product performance.

The practical importance is that new product ideas need to be widely shared particularly in the early stages. Ideas created by individuals need to be shared with others through appropriate communication and ultimately be tested with potential distributors. The generated product idea is to be communicated with others for refinement and improvement. Screening of the product idea is done by directly checking the idea validity with distributors. The active communication is done as part of the management combinative capabilities as previously mentioned. The sharing of the knowledge amongst related parties is the knowledge sharing mechanism of the organisation.

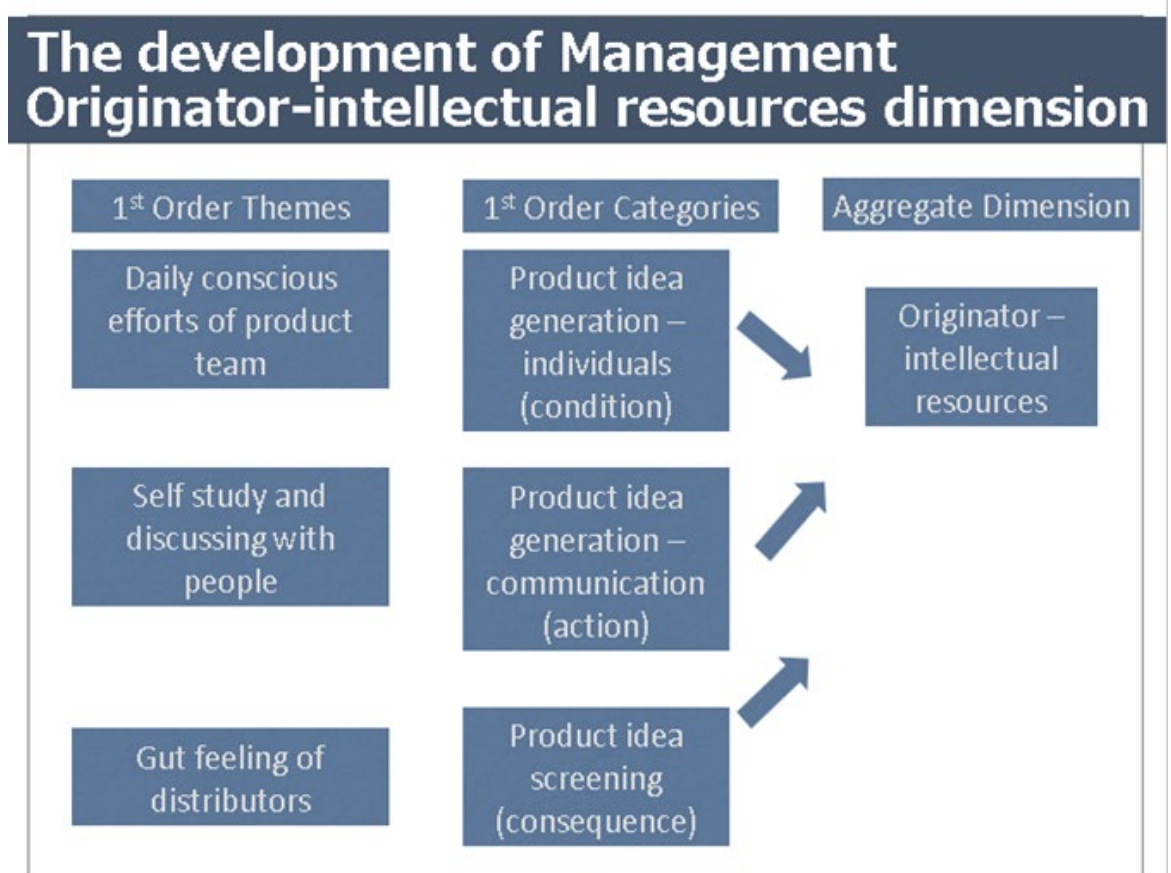


Figure 5.3. The development of the ‘management originator – intellectual resources’ dimension.



#### **5.4.4 Knowledge sharing mechanism (1)**

Knowledge sharing is a very broad and important concept that is indispensable for innovation to take place. Consequently, through the thematic analysis, I have seen three different sets of combinations of first order themes and first order categories leading to the aggregate dimension concept of 'Knowledge sharing'. In other words, there are three different sets of causal relationships with 'Knowledge sharing' as the outcome of the relationship. Each of these causal relationships is explained in their own subsection below.

The first knowledge sharing aggregate dimension is illustrated in Figure 5.4. This dimension captured the importance of organisational capabilities to manage knowledge sharing. The principal constituent first level categories were: 'wholesale expertise', 'application of retail concept and 'good saleable fund'. The left-hand column in Figure 5.4 includes an indicative selection of a first set of first order themes from the research participants reflecting their recognition of the importance of wholesale professional investment expertise in developing good saleable fund ideas. First order themes include 'The challenge is to convert wholesale expertise to the retail environment', 'Regional focus funds sold well in retail as against the wholesale style risk diversification concept' and 'Pick out the saleable fund from the shelf prepared by investment team'.

As mentioned above, first order themes include the challenge in converting wholesale expertise to retail products. For example, a regional focus fund that includes three neighbouring prefectures in the equity fund is not a logical product from the perspective of wholesale fund investment practices. The concentration of companies in the neighbouring prefectures results in a lack of diversification benefit and thus a concentration of risks. In the retail market, however, the ratio of trust investment by individuals is just about 4 per cent of their financial asset. This means the retail investors have 96 per cent of their investment risk elsewhere. It is somewhat absurd for asset management companies to seriously consider overall risk diversification without the knowledge of the other 96 per cent of risk. Individuals can afford to diversify their portfolio by investing in several different products including investment trusts. As a result, the concentration of risk in a particular fund does not necessarily mean that the risk return profile is dented because of the choice to invest in, for example, a regional focus fund. If the expected growth (hence the return) is very high for the regional focus fund, investors will achieve a suitably efficient risk/return profile by

diversifying their portfolio through investing in other funds. This fact results in the good sale of the fund, thus the switch of investment philosophy from wholesale into retail more liberally and accommodating new knowledge should be very important. This discovery of this fact could only be achieved through the active sharing of knowledge between staff operating in wholesale and retail.

The CEO interviewees confirmed this by saying, for example, 'even funds with a very good performance track record did not sell well in the retail arena' and 'on the contrary, an outlier fund, from the wholesale perspective, sold well in the retail market' (Independent AM2). In addition, one said, 'It is easy to bring out new fund concepts, but it is crucial that knowledge from the various different functions across the business is shared to evaluate its real market potential and longevity' (Foreign AM2). A third said, 'In evaluating the longevity of a potential fund, involvement of research department in assessing the proposal is important' (Large Financial Group AM2).

From the theoretical perspective, Dalkir (2005) argues that individuals are most commonly rewarded for what they know, and not what they share. To promote knowledge sharing and remove obstacles to the sharing of knowledge organisations should have culture that encourages discovery and innovation (Dalkir, 2005). Most of the CEOs are well aware of this problem and are committed to encouraging proactive participation and sharing of knowledge by all staff. In doing so, trust by all involved is essential. Mutual trust is the key to enhancing the willingness of staff to exchange knowledge and to embrace knowledge from other staff as well (Levin & Cross, 2004).

Van den Hooff and Van Weenen (2004) proposed two different forms of knowledge sharing: knowledge donating and knowledge collecting. Organisational knowledge sharing amongst employees and management includes both knowledge donating and knowledge collecting. Knowledge donating is outward communication to others conveying what one's personal intellectual capital is, whilst knowledge collecting is the inward flow of knowledge through consulting colleagues to have them share their intellectual capital. Both processes are proactive processes – either proactively communicating to others what we know, or proactively consulting others to learn what they know. In the context of this research, communication between those who manage funds and those who sell to investors is essential.

## The development of Knowledge sharing mechanism (1) dimension

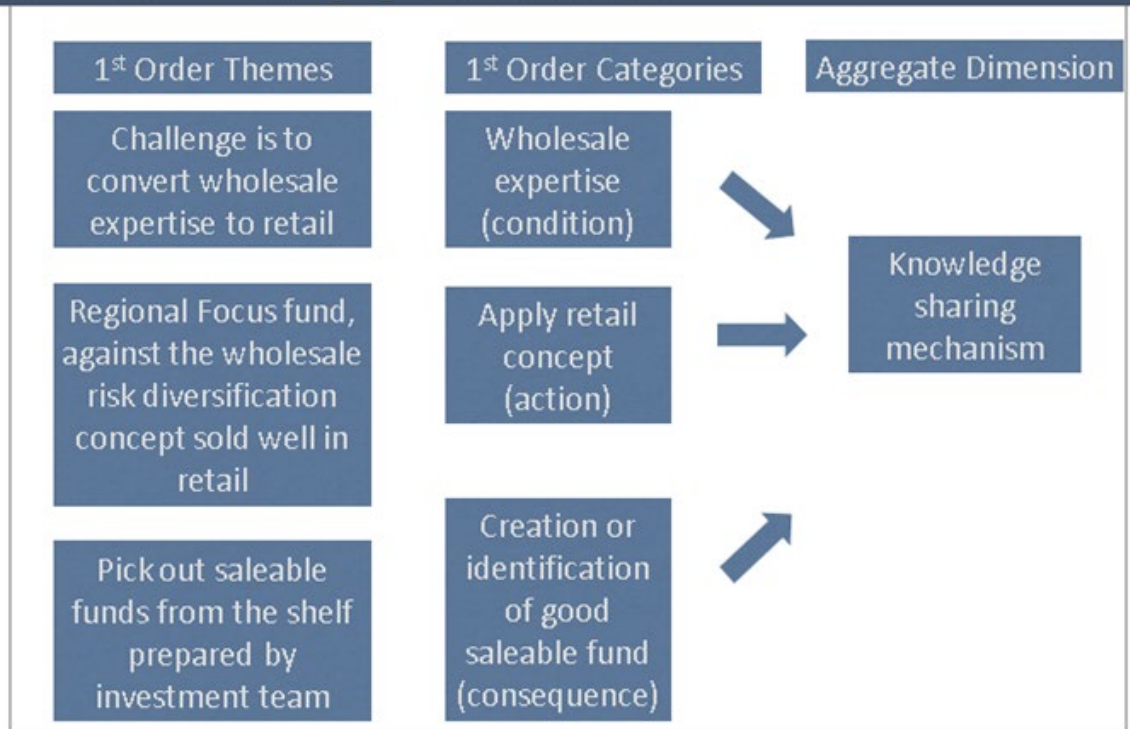


Figure 5.4. The development of the 'knowledge sharing mechanism (1)' aggregate dimension

### 5.4.5 Knowledge Sharing Mechanism (2)

Figure 5.5 shows the data structure for the aggregate dimension of 'knowledge sharing mechanism (2)'. This aggregate dimension of knowledge sharing focusses on internal communication. It incorporates both the strategy of leading asset management companies and their managerial practices. This second set of first order categories in support of knowledge sharing relates to individual idea generation efforts and communication mechanisms that nurture these ideas for wider commercial use. The first order themes include 'daily efforts of product teams', 'self-study and discussions with other people', and 'gut feeling of distributors'.

My interviews demonstrated this concept by way of the following statements: 'The pleasure of being in product planning is that there are a number of ideas that could be converted into retail customer products' (Independent AM2); 'We look all around the whole universe for ideas that could produce cash flows that can be securitised as a fund product, thus the variety of ideas now being considered is becoming very diverse' (Independent AM2). Another CEO mentioned that the 'sharing of wholesale investment

knowledge with retail marketing knowledge could potentially result in a good investment product' (Independent AM2).

From the theoretical perspective, the research has been focussed on cognitive processes behind individual creativity: the characteristics of innovative people, how individual creativity develops over a lifetime and the social environment that supports creativity (Kaplan & Tripsas, 2008; Thrane, Blaabjerg, & Moller, 2010). Knowledge sharing is an activity through which knowledge (information, skills or expertise) is communicated and shared among people and/or organisations (Bukowitz & Williams, 1999). Organisations have long been aware that knowledge constitutes a valuable intangible asset in creating and sustaining competitive advantages (Miller & Shamsie, 1996). The sharing of knowledge is a major challenge to effective corporate knowledge management as some employees tend to resist sharing their knowledge with the rest of the organisation for the purpose of protecting their own special place in and perceived value to the organisation (Ciborra & Patriota, 1998). The first order themes indicate that a knowledge sharing mechanism starts with the generation of ideas by the daily efforts of the product team. This is followed by self-study to be able to evaluate the quality of these ideas together with efforts to refine them through communication with other people known to or working with the originator of the relevant idea. Getting the candid views of distributors is also important so as not to make an erroneous judgment about the quality of the proposed fund ideas. There was no indication from the quotes to signify the reluctance of any individuals to proactively share their knowledge with others for creating new ideas.

## The development of Knowledge sharing mechanism(2) dimension

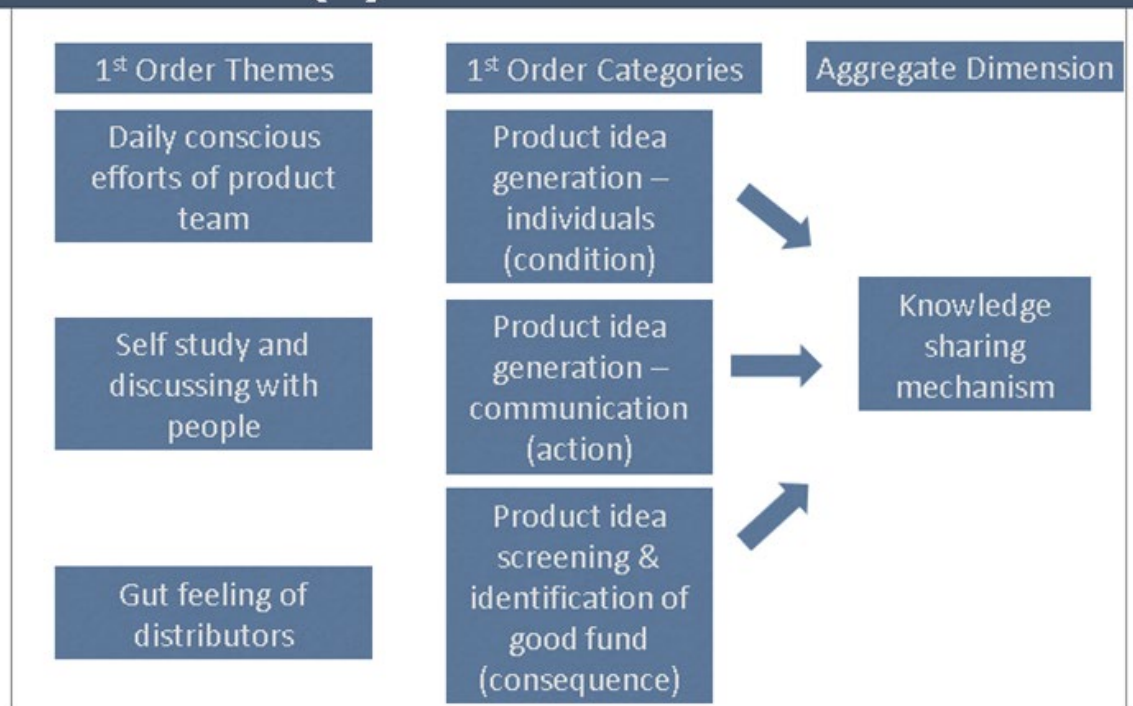


Figure 5.5. The development of the 'knowledge sharing mechanism (2)' aggregate dimension

### 5.4.6 Knowledge sharing mechanism (3)

Figure 5.6 shows the data structure for the aggregate dimension of 'knowledge sharing mechanism (3)'. This aggregate dimension has a third set of constituent first level categories, namely: 'environmental change', 'research input' and 'product idea screening'. The first order themes are embodied in such statements as, 'Manufacturers consider their value proposition in accordance with environmental change'; 'Diversification concept sold well in retail'; and 'Pick out saleable fund from the shelf prepared by the investment team'. Specific quotes from the author's interview panel include: 'the degree of success depends on the investment team's efforts to focus on risk diversification' (Large Financial Group AM1); 'rotation and diversification of assets are of vital importance for a good fund' (Foreign AM2); and 'in the old days, risk diversification was considered within the same asset category, nowadays, risk diversification should be considered amongst completely different asset classes' (Foreign AM1).

From the theoretical perspective, Dougherty (1992) finds that the processes of creating and exploiting knowledge for innovation is a trial and error process through

exploration, strategic undertaking, research and advice by senior colleagues. In an organisation's decision-making processes, the process is considered to be contingent upon a combination of (a) the degree of clarity in causal relationships through past experiences and (b) the degree of agreement in objectives (Stacey, 2011).

As risk diversification is considered one of the most effective measures necessary to enhance return ratio against the risks taken, so it makes sense to launch a fund with risk diversification as its focus. The combination of ideas drawn from the originator's past experiences (successes or failures), along with inputs from the research team for affirmation of the relevance of an idea to the prevailing market, will create a reasonable chance of a viable innovative fund. The first order themes indicate that investment teams see changes in the market as providing opportunities to create value for potential new product ideas or concepts that depend on risk diversification as the key concept. The saleability of the fund is gauged by the level of interest demonstrated by distributors in selling the proposed product. Changes in the investment market can trigger new ideas but they should be supported by detailed research and analysis. Thus, the sharing of knowledge to create a good fund idea should result in good performance, allied to the creation of a solid investment rationale to tell investors, is most important in enhancing the ABS CAP of innovative new fund ideas.

## The development of Knowledge sharing mechanism (3) dimension

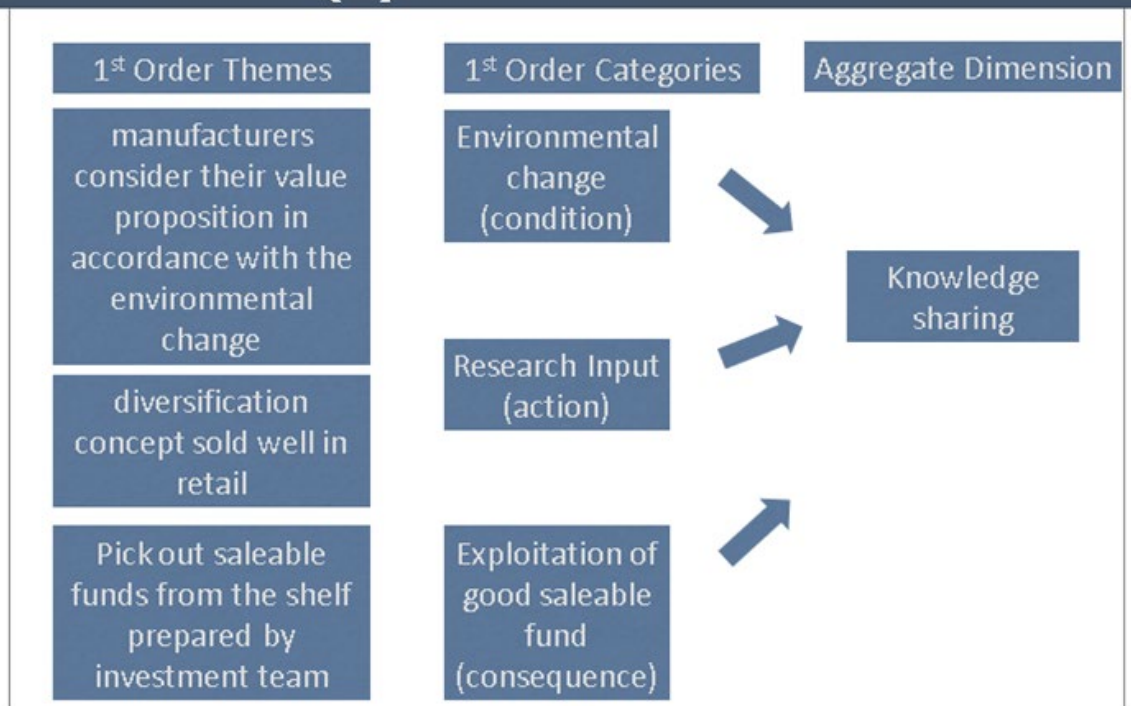


Figure 5.6. The development of the 'knowledge sharing mechanism (3)' aggregate dimension

### 5.4.7 The establishment of information network

The fifth aggregate dimension, illustrated in Figure 5.7, shows the corresponding structure for the aggregate dimension of 'establishment of information network'. This dimension captured the importance of a structure that supports enhanced organisational capabilities to effectively stimulate and manage relevant communication. The first level categories for this dimension are: 'fund idea generation – change in market environment'; 'fund idea generation – sustainability' and 'screening of potential ideas for new funds'.

On this topic, my interview panel highlighted: 'the shift of assets from the Baby Boomers to the Millennium generation is about to happen' (Large Financial Group AM2). In addition, one CEO said, 'The values held by the Millennium generation are entirely different from those of older generations, thus the significant brands will be those that appeal to the newer generation' (Large Financial Group AM2). One added, 'There are new growth industries or companies that will thrive as a result of the increasing significance of the Millennial generation'. In addition, another CEO said, 'Our focus is on the discovery of new technologies that support such growth and

identifying an appropriate index to signify the potential of new growth opportunities' (Foreign AM1).

From a theoretical perspective, for a firm to enhance ABS CAP the interaction of all of R&D, design, manufacturing and marketing functions is required (Mansfield, 1968). In that context, collaboration amongst the investment, research, product and sales teams is required. Through a qualitative and interpretive case study of organisational structure, Kanter (1983) found that innovation could take place more easily in organisations with the structure to allow multiple conduits between those inside and outside of the organisation, and with a solid information network at the intersecting territories. In most cases, asset management companies have both formal and informal product development and creative meetings held from time to time between the relevant functions. How an organisation absorbs knowledge in the overlap between the respective functions is important. The effectiveness of absorption at these intersections depends on the number of conduits between different teams or departments (Kanter, 1983).

Amongst the first order themes, wealth is increasingly shifting from the Baby Boomer generation to the Millennial generation. The concept of value for Millennial generation is entirely different from the Baby Boomers. As a result, a change in spending behaviour is likely in the future. This change in spending behaviour will result in changes in the industry and products if a company is to survive and thrive.



## The development of establishment of information network dimension

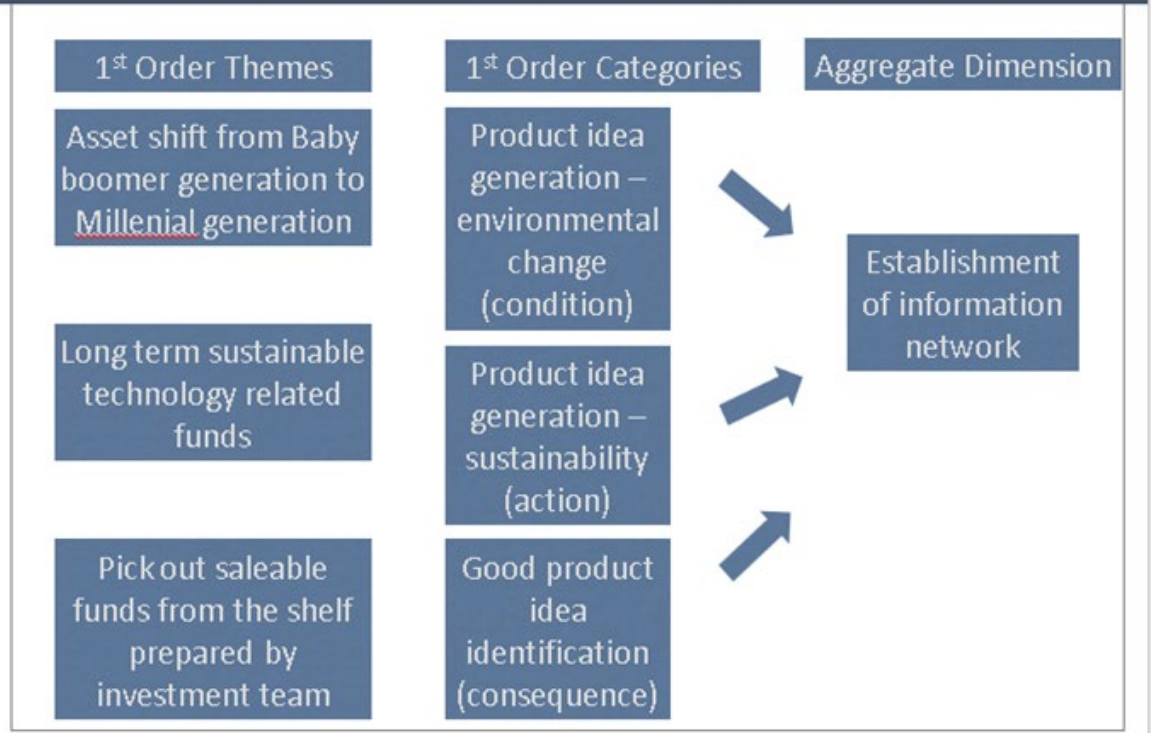


Figure 5.7. The development of the 'Establishment of information network' aggregate dimension.

### 5.4.8 Individual cognition

The sixth aggregate dimension, illustrated in Figure 5.8, shows the corresponding structure for 'individual cognition'. This dimension captures the importance of individuals in the development of innovative product ideas. This is the structure that facilitates the ability of an organisation to enhance its capabilities for ABS CAP leading to innovative ideas. First level categories for this dimension include: 'product idea generation – environmental change', 'product idea generation – sustainability' and 'good product idea identification'. Figure 5.8 looks quite similar to Figure 5.7 in that the causal relationship could be the same. However, the underlying subject for the information network is the network infrastructure, and for individuals it is awareness of potential by and of other individuals. The objective is the same but, in this case, we need a key player (individual) supported by a form of infrastructure (information network) to make the causal relationship (action) happen. Thus, I will focus on the individual. Amongst the first order themes, there is a trend that wealth will gradually shift from the Baby Boomers to the Millennials. Here the focus is the level of awareness of the relevant individuals in charge of product planning. Some important quotes from

the CEO interview panel on this topic include: 'The development of a new product idea could start from a rough idea from an individual. If the idea is believed to be sound, then a trial fund is created to see if fund performance is as good as anticipated. If it is proven good, then it is passed to the sales team for further proactive promotion' (Large Financial Group AM1). Another described the following: 'an individual's capability to generate good fund ideas is largely dependent on the person's level of knowledge of investment theory and their awareness as to what kind of funds are being promoted by the investment team' (Foreign AM2).

From the theoretical perspective, Cohen and Levinthal (1990) looked to various psychological theories of individual cognitive structures and their development to explain the interaction between individuals as relevant antecedent variables as key determinants of individual ABS CAP. They argue an organisation's ABS CAP will depend on the ABS CAP of its individual members. Thus, organisational ABS CAP is built on the prior investment in the development of its constituent parts, i.e. individuals and their ABS CAP. For organisations to survive by way of innovation, the first thing the organisation should consider is how a creative individual is identified, educated and trained to secure enhanced creative performance. In analysing individual creativity, cognitive psychology provides the most prevalent and developed perspectives on the source of creativity (Simonton, 2000).

As outlined above, the concept of value for Millennials is entirely different from the Baby Boomers, thus a change of spending behaviour is likely to happen in the future. The change in spending behaviour will result in changes to the industry and products offered. Individuals in charge of product development should be aware that changes in the concept of value coincides with technology-related developments in the market. Thus, emerging technologies disrupting people's lives could be taken into account in addition to the change in the wealth distribution. This change will persist. Thus, an investment theme that reflects the change in wealth distribution could become sustainable. All of this starts with the cognition of individuals recognising the change in the market and the need to pursue the most attractive financial tool to harness the opportunities presented by the change.

## The development of individual cognition dimension

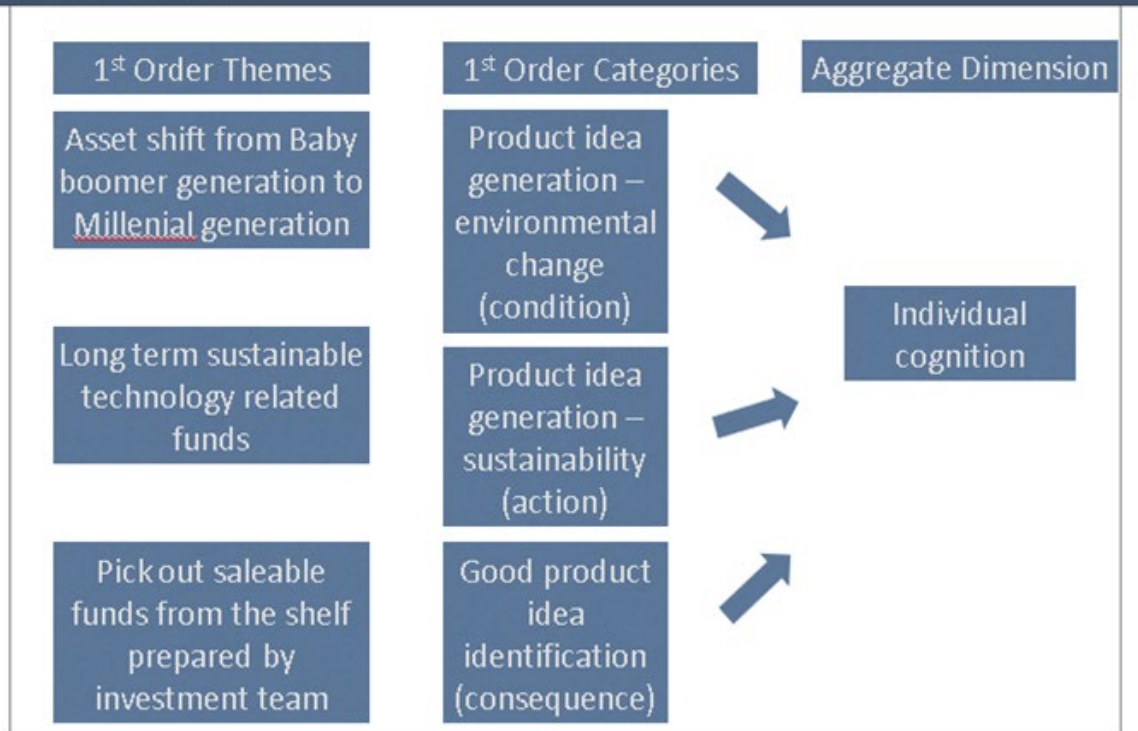


Figure 5.8. The development of the 'individual cognition' aggregate dimension.

### 5.4.9 The creation of brand

The last aggregate dimension (Figure 5.9) is 'creation of brand'. This dimension captured the willingness of asset management companies to create a brand. It is usually the case when, all things being equal, investors would like to buy funds from companies with a strong brand. Although the establishment of a brand is not directly linked to an organisation's capability to increase innovative idea ABS CAP, CEOs are very aware that creating a strong brand is a must for survival. First level categories in this dimension are: 'Sustainable good performance will lead to creation of brand', 'In order to have good performance, long-term investors need to be invited' and 'Reliability could emerge once investor education is conducted'.

Amongst the first order themes, there is a strategic focus to target mass small and young investors. In doing so, consistent delivery of good performance is important to enable the creation of a reliable brand. Significant quotes from the CEO interview panel on this topic include: 'Young mass small investors would become long-term core investors'; 'Young mass small investors choose asset managers through familiarity or

an engaging logo or mascot'; and 'Investor education will result in creating more committed followers of individual asset management companies'. Non-investment related activities, almost CSR, such as volunteering activities, child education and in-house care centres could be part of brand positioning as a good corporate citizen: 'Overall, many companies are struggling to deliver consistent superior fund performance and are now also competing to become good or better corporate citizens in order to win investor support and loyalty.'

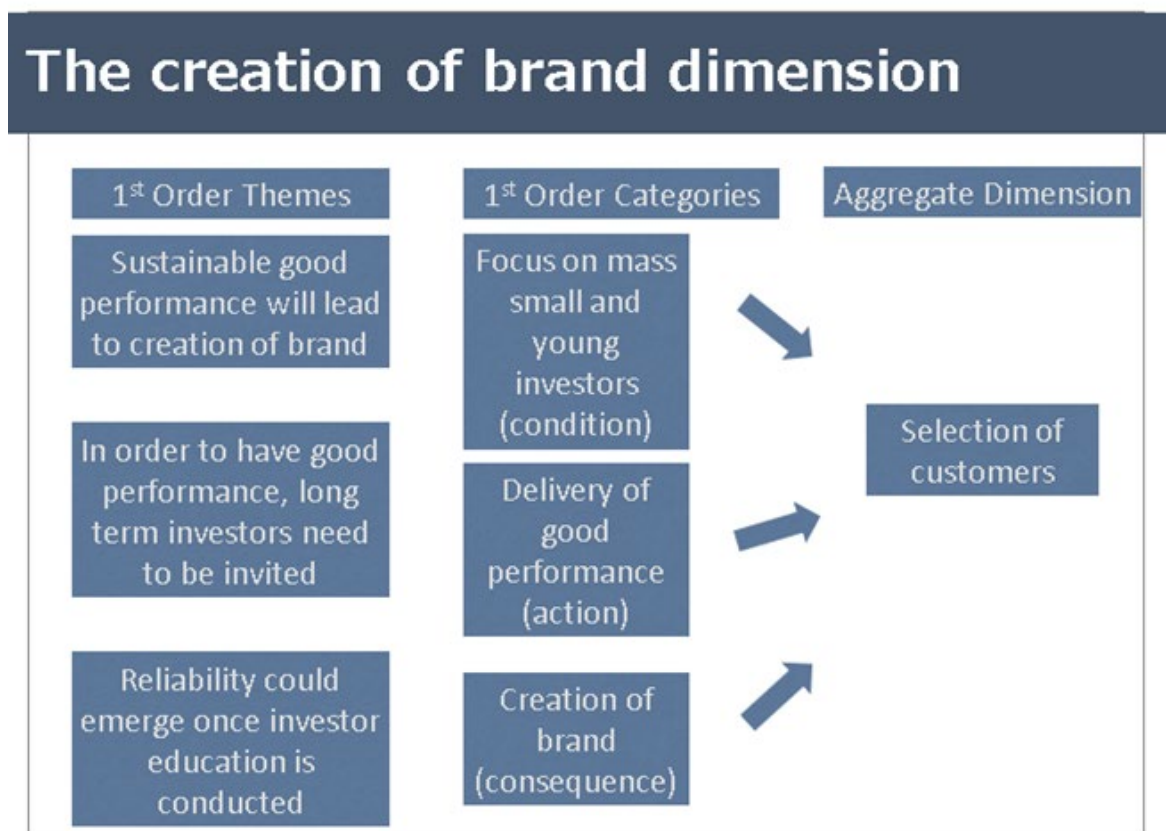


Figure 5.9. The 'Creation of Brand' aggregate dimension.

Some other first order themes that were developed to first level categories did not fit in any of the aggregate dimensions due to their low prevalence and the lack of significance afforded to them by the research participants (see Table 5.2), and as a result were discarded from further analysis. For example, categories such as 'regulator move', 'depart from churning' and 'distributors not helpful' were abandoned to ensure a focus on the more important aggregate dimensions relevant to the ABS CAP of an organisation.

## CHAPTER 6 RESEARCH FINDINGS FROM SECOND-ROUND INTERVIEWS

### 6.1 Introduction

In this chapter, I will describe the responses provided by the participants during the second round of interviews. Overall, many were as expected; however, some were unexpected. In this chapter I consider each aggregate dimension in turn and list the actionable points derived from the logic underpinning the analytical construction of the aggregate dimension. Then I describe the various participants' feedback against each one of the dimension descriptions.

In respect of the overall outcomes of my research as shared with my CEO panel, one CEO commented: 'Overall, my general impression is that this type of research is important. The problem is that those who are well aware of the importance of innovative product development may well be able to understand issues identified in this research, but they are not aware of them. On the other hand, those asset management companies who do not appreciate the importance of fund ideas will not be able to understand the significance of this research at all' (Independent AM 1).

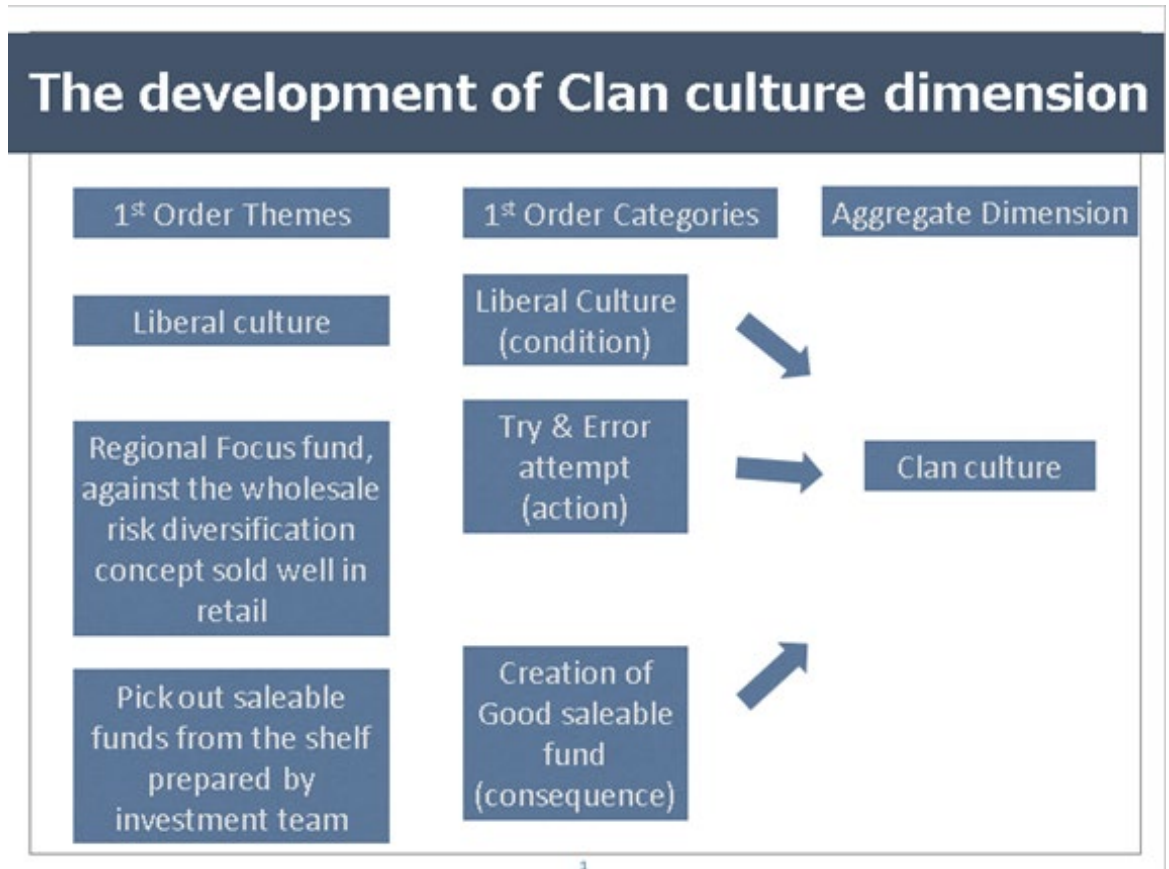


Figure 6.1. The development of clan culture dimension

A brief description of this first dimension is as follows:

From the perspective of a company's culture, what are the points that management should be aware of to promote innovative idea generation?

1. To generate and materialise new fund product ideas, do not focus exclusively on immediate returns.
2. Actively develop and support a culture that stimulates the generation of new ideas.
3. Be mindful of the risks that a new fund idea may never come.
4. Do not rely on the traditional cash flow but try new ways to create new cash flow from different investment themes.

CEOs' comments are as follows:

As to the liberal culture, one CEO (Large financial group AM1) remarked that it is not the distance between CEO and product people that is significant in their company. He was not usually involved in the decision-making process and so there is no need for him to have a close relationship with his product people. Having said that, he felt it is

important to have free and liberal communication between product, investment and sales teams. Thus, having a good liberal culture is important in this respect.

There was one view about the importance of past successes. One CEO (Independent AM2) believed that once an innovative fund becomes successful, this buys a greater degree of goodwill and tolerance to wait for other novel fund ideas to mature. This high tolerance would enable another successes; thus a virtuous cycle and momentum are established for those creative initiatives.

The cultural issue was not anticipated by some of the CEOs. One (Independent AM1) viewed the focus on culture as most interesting. He had never expected that a company could develop this culture, although he instinctively believed that a family-like culture could be important. Such a company should be able to create great fund ideas although he believed that such companies are rare. So far as he understands, there is only one company in Japan with a culture like this. He named the company and it was exactly that company which proposed the need for a liberal culture.

The same CEO (Independent AM1) pointed out that the potential problem with companies having a clan culture is that they tend to be weak in relation to corporate governance. The importance of clan culture globally must be accepted in view of the fact that some of the leading asset management companies in the world such as Capital, Fidelity and Vanguard are all respected family companies. Another problem with family-style companies is that outsiders, who obviously are not family, tend to be removed or hindered from reaching senior positions in key teams however capable they may be.

For a liberal culture company to be successful, it is important that the CEO has an enormous amount of respect and goodwill from the company and its shareholders. ('tolerance'). On this point, one CEO (Foreign AM1) observed that while it is hard to object to the need for tolerance, in reality, CEOs are also subject to budgets and targets and thus it is hard to wait for protracted periods before satisfactory results are obtained. Moreover, the economic environment is likely to influence any degree of tolerance. If the economy is good, then tolerance levels are higher but if the economy is not favourable then the tolerance to wait for results for any significant period will not be there. Some CEOs were rather negative about the idea, saying it is difficult to deny this idea in theory, but it is very hard for management to achieve in practice (e.g. Foreign AM1). It was also accepted that a CEO or management team that had been

highly effective in producing good returns have higher levels of tolerance than a CEO or management team that had been less successful (Independent AM 2). This view was supported by another CEO saying that the level of tolerance is based upon the track record of the product development staff (Foreign AM1). Nonetheless, his aspiration was to have a tolerant atmosphere in his company and that he would be tolerant and patient but he did observe there is a limit as to how liberal the company could be (Foreign AM2).

Some pointed out the importance of job security, saying what is important here is that psychological security should be given by senior management to the product staff to challenge existing ideas (Foreign AM2). Another CEO echoed the idea saying psychological security is needed for a product person to challenge (Foreign AM1).

One CEO (Large Financial Group AM2) opined that a liberal culture is nourished only in specific lines of business. He suggested that when it comes to wholesale, there is a cultural difference between pension businesses and institutional client businesses. It is more likely that clan culture is established in the pension businesses. Pension business has a long horizon and if you keep the same attitude toward retail business as applies in pensions business, a higher tolerance and patience threshold for favourable results should follow.

Almost all the CEOs are aware that there is a possibility of a small or minimal number of product ideas flowing from a liberal culture approach. There was a general belief that it is inevitable that risks are taken to allow for new product generation. The possibility of delivering no successful products is part of such risks analysis. Obviously, it is ideal if the company has the ability to be patient for results.

My overall reflection on the feedback is that the most crucial issue in relation to culture is the level of tolerance the CEO could provide before fruitful results from new product launches materialise. In the asset management industry, once a hit product is introduced, an enormous amount of profit can be expected, but there is a long period with no income and related sunk time and investment costs before the fund is promoted for sale. Usually, company head offices are rather short-sighted and wish to have regular and almost immediate profits and so their tolerance levels for a hit product can be considered very low. With such knowledge and experience, the length of time a CEO can defend the product against demands to close them down from company head offices is a challenging issue. There was one company CEO who repeated similar



successes one after another and had the guts to push back against his head office interference when the retail business started. This tension with head office is a routine challenge that most asset management companies and their management teams have to face and conquer.

### 6.3 Feedback on the Development of Management Originator – Intellectual Resources Dimension.

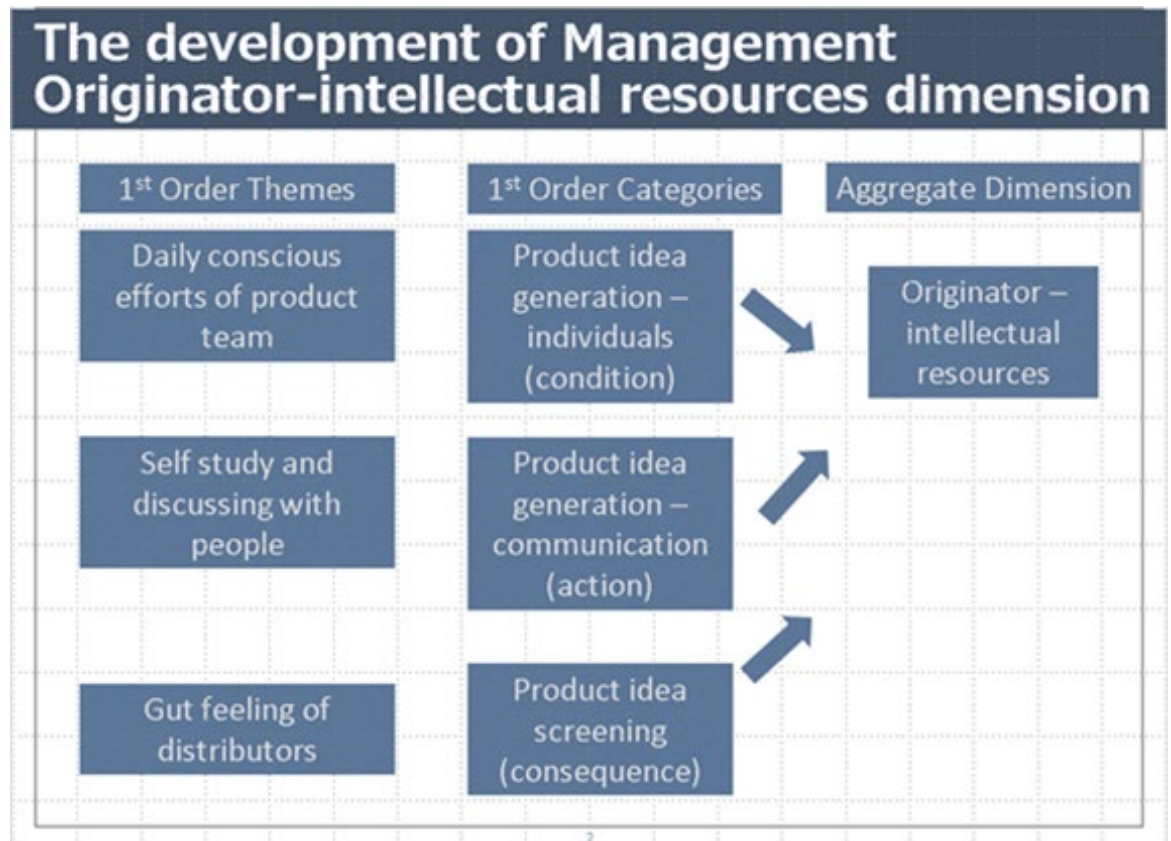


Figure 6.2. The development of Management Originator – intellectual resources dimension

The summary of this dimension is as follows:

The idea generators of an innovative asset management company tend to:

1. Understand the external environment as well as own investment capabilities to come up with the potentially successful product ideas.
2. Communicate within their department, their company and external parties which is vital to creating better ideas.
3. Are given the time and resources to refine their ideas and have the organisation help in the development of the idea.

4. Have the ability to explain the new product concept in logical and easy-to-understand ways.

The responses by the CEOs to the above observations were as follows:

Many of the CEOs echoed the importance of having capable product staff (e.g. Independent AM1), even saying it is imperative (Large Financial Group AM1). Two CEOs emphasised that some investment understanding and talent is needed to be a good idea generator. They also observed that good idea generators are normally highly motivated to create a new fund (Large Financial Group AM1 & Independent AM 2). Surprisingly enough, no CEO mentioned monetary incentives, such as a bonus, as material to the stimulation of the development of new fund ideas. That said, these members of staff are relatively well compensated and are willing to commit wholly to the company to maintain their high level of overall remuneration (Large Financial Group AM1). One CEO (Foreign AM1) pointed out that this dimension focusses only on the supply (recruitment) side of the equation. In his opinion, the more important thing was that the product person could identify the true needs and appetites of investors. In some cases, it seems that not all product development staff are capable of fulfilling the role. One CEO (Foreign AM2) revealed that only one-third of his product development staff are deemed capable and that quite often it is salespeople and not the product development team that come up with what turn out to be brilliant product ideas. As a result, there is a tendency for companies to rely on one or a few good members of staff too heavily. In his opinion, there is a need to develop a systematic framework to manage this issue and to eliminate such heavy reliance on them (Large Financial Group AM2). It is not easy nor particularly practical to offer abstract product development training. Instead, one CEO observed that that as part of his company's training process, they adopted a mentoring style of on-the-job training where a trainee worked closely with a much more experienced and successful colleague (Large Financial Group AM2).

My reflection on the intellectual resource issue is that the challenge is one of identifying capable staff with unique insights. Such staff might be found through a lot of dialogue in relation to product ideas. In this regard, all participating in product meetings can be thought of as a good idea; although I did not do that type of meeting when I was CEO of HSBC Global Asset Management.

## 6.4 Feedback on the Development of Management Combinative Capabilities Dimension

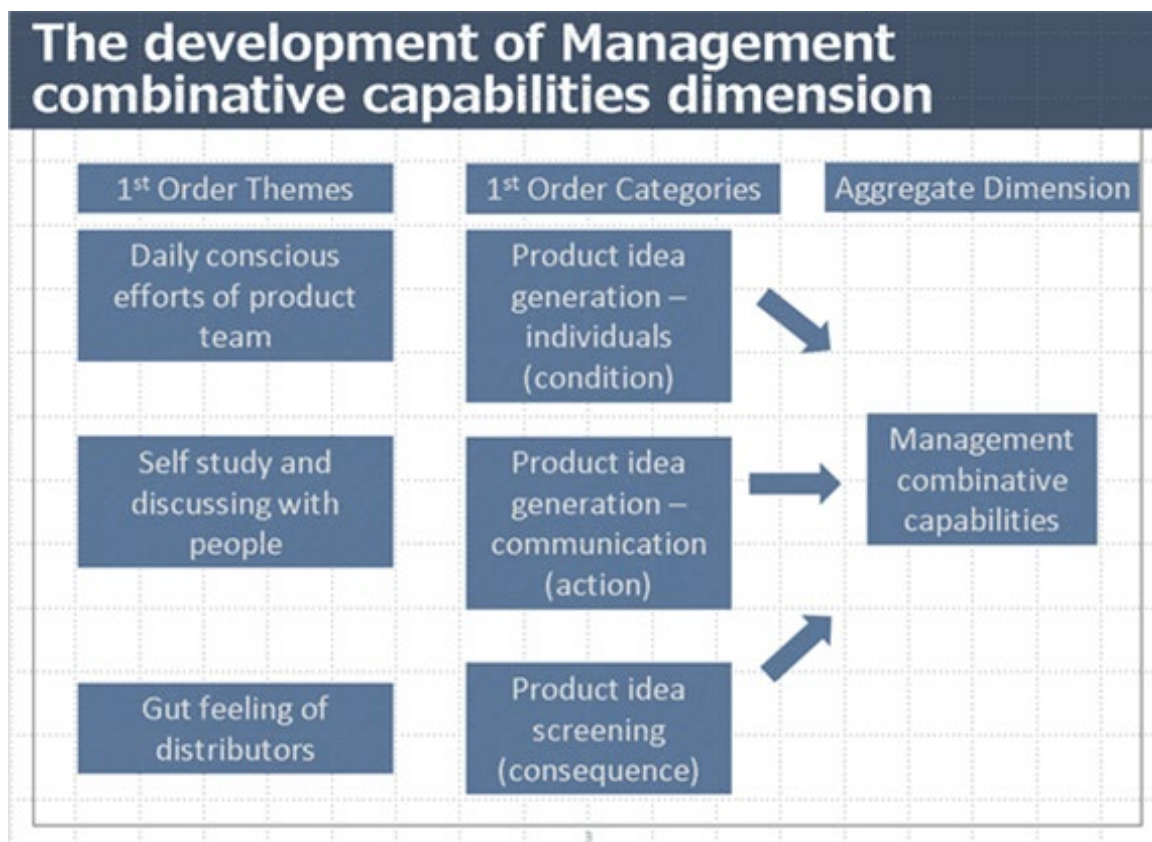


Figure 6.3. The development of management combinative capabilities dimension

The summary of the management combinative capabilities dimension is as follows:

The management of innovative asset management companies would:

1. Encourage self-study and individual effort on the part of product team members.
2. Official inter-departmental product meetings as well as unofficial small group idea exchanges are necessary to harness ideas created.
3. Combine product development, due diligence and sales promotion teams together in an organic and efficient way.
4. Encourage active exchange of views with external parties including distributors.

The responses by the CEOs are as follows:

Independent AM 1 stressed the importance of enhancing management combinative capabilities, saying that companies with strong combinative capabilities are benchmarked by them. They have the culture and a system to come up with unique fund ideas. The benchmarked company is independent of any financial group, thus in the absence of dedicated group distributor banks or securities companies, they must

compete with the quality of fund ideas and management capabilities. This is a crucial situation and thus the management combinative efforts are very serious and systematic.

Independent AM1 also raised a concern that for large financial group asset management companies as well as foreign asset management companies, the position of CEO is usually a relatively transient or temporary role within a group. As a result, those with less understanding of the asset management industry do not have the knowledge or experience to influence the relevant functions nor require them to cooperate and collaborate for the purpose of fund idea generation (Independent AM1). Another CEO (Large Financial Group AM1) mentioned about the daily efforts by management to encourage their employees to think outside of the box and not be wholly constrained by precedent or current thinking. He stressed the need for having proper and systematic processes in developing fund ideas which he considered to be the most important form of management intervention. One CEO focussed on the importance of having collaborative efforts. He stressed the importance of saying that having an effective link between the investment team and sales team is most important for any asset management company. Thus, an effective organisational coordination role is essential to a successful asset management company (Independent AM2).

There are many companies where investment teams have excessive influence and equally many other companies where sales teams have a very high degree of influence in fund idea selection. According to one CEO (Independent AM2), neither type of company is likely to be successful in creating new funds. Another CEO (Foreign AM1) mentioned that they have the framework and system but it is not always efficient. He observed that this systematic knowledge process was circular and repetitious thus taking a considerable amount of time before a good fund idea was generated and presented. The importance of management combinative capabilities was stressed by another CEO (Foreign AM2), saying that in most cases they focus on allocating suitable investment strategies in accordance with the environmental situation of their distributors. To that end, they intentionally hold regular meetings with their distributors to help come up with the most appropriate ideas. Another CEO focussed on matching needs to potential counterparties. In other words, he suggested that thought be given to the types of idea that were discussed with different distributors or intermediaries (Foreign AM2).

One CEO focussed on the importance of having a liberal atmosphere, saying they hold free flow meetings to exchange fund ideas. The length of the meeting is not prescribed and if there are no ideas proposed by participants, then the meeting is immediately closed. He observed that, to date, the meetings have been very active and normally go on longer than planned (Foreign AM2). This same CEO stressed the importance of having an organic approach, saying the word organic is key to this management function to consolidate individual capabilities. He pointed out the importance of welcoming ideas from all staff by encouraging participation by employees. It is important to appreciate any ideas whether they are valid or invalid to develop a positive culture within the organisation (Foreign AM2). Another CEO reaffirmed the importance of collaboration and his mantra was that the sales, investment and product teams are to collaborate as one team (Large Financial Group AM2). He continued by saying that good fund ideas can come from numerous sources and he observed that companies must recognise the strengths and weaknesses of each key participant and allow them to play to those strengths. For example, they may be good at fixed income or equities, or institutional business or otherwise. It is impossible for one person to generate ideas across the product spectrum for a company. Thus, the knowledge of strengths and weaknesses and the integrative abilities to deploy them to maximum effect are needed by companies to have an effective product development process (Large Financial Group AM2). This CEO noted that there was a significant risk of missing out on really good ideas due to members of staff not knowing who to speak to in order to progress it. Effective integrative capability is needed to let those people know the framework and process to develop their ideas into actual products (Large Financial Group AM2). Indeed, one CEO suggested that daily requests for more and interesting ideas should be made (Large Financial Group AM2).

My reflection on this management combinative capabilities dimension is the need to focus on establishing a seamless and effective communication system and to provide as many opportunities as possible for product idea generators to share and refine their ideas. Quite often, a view from an entirely a different perspective can suddenly make the product idea feasible and attractive. Such interdepartmental exchange of views should be considered very important.

## 6.5 Feedback on the Development of Knowledge Sharing Mechanism (1) Dimension

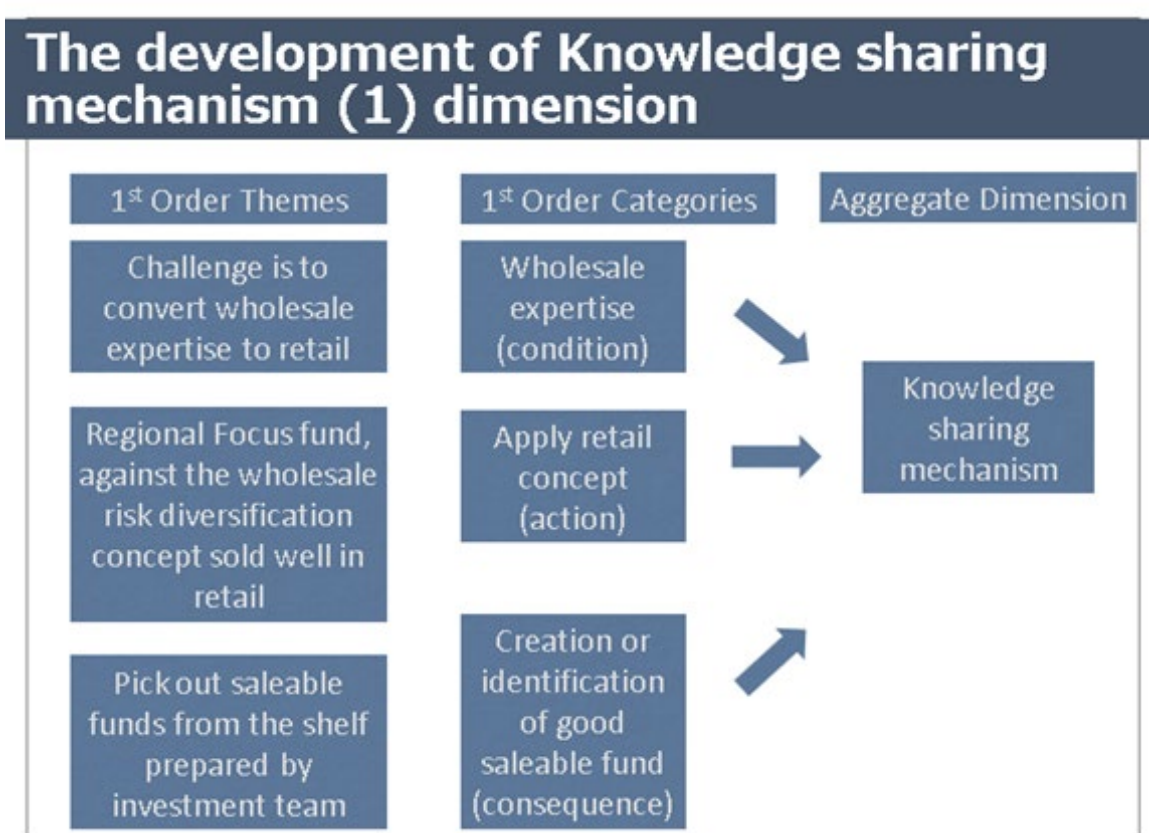


Figure 6.4. The development of knowledge sharing mechanism (1) dimension

The summary of this development of knowledge sharing mechanism (1) dimension is as follows:

An innovative asset management company would

1. Fully utilise the wholesale business expertise into the creation of retail fund product ideas.
2. Understand the difference in terms of investment preferences, risk recognition and level of investment knowledge between wholesale customers and retail customers

The responses by the CEOs are as follows:

The CEO of Financial Group AM1 mentioned that taking advantage of the wholesale business expertise is understandable, and he commented that the origin of their business is not wholesale but retail, thus the need for wholesale business ideas is rare. Another CEO (Independent AM2) commented that more recently, certain

characteristics of both wholesale and retail business are getting more aligned as they can see that for retail funds, a long-term performance record is becoming a more significant factor. A CEO with significant wholesale business experience observed that the link between wholesale and retail funds is the differences in terminology. Normally, in wholesale business publications, companies adopt sophisticated and technical words or language. In many cases, this text and approach is retained in their retail business publications. The most successful (Independent AM2) CEO stressed that this should not be done. The fund attractiveness should be explained in a plain language that is easy to understand before the wholesale concepts are used in publicity targeted at retail investors. Another CEO (Independent AM2) noted that those asset management companies who subcontract the investment side of their business to outside subcontractors do not focus on their own investment expertise, and thus do not adequately consider the publicity material proposed by their investment teams or their subcontractors. However, those that do not subcontract the management of their funds do have a significant concern over the investment capabilities of their own investment teams.

On the issue of technical expertise, the same CEO mentioned that for those who do not subcontract, product teams regularly ask the investment team to try to expand their investment horizon and capabilities so that the product team can broaden the offering of investment products and ideas. A similar comment was given by other CEO that the usual request from the product team to the investment team is that the investment team should expand their investment capabilities to include as many assets as possible (Large Financial Group AM2). One CEO who was dubious of the regional focus fund concept said regional focus funds would not clear his internal compliance screening process (Foreign AM 1). He further commented that risk diversification is a subjective matter which should be judged on circumstances at the relevant time. Whether an individual fund portfolio is sufficiently diversified is a matter of individual judgment. For example, Japanese equities are regarded as sufficiently diversified assets whilst a pool of investment into the automobile industry may not satisfy the required level of risk diversification. Another CEO (Foreign AM2) focussed on the literacy level of investors and said the literacy level of wholesale professionals and retail investors is completely different. Figuratively speaking, it is like automobile companies accumulating technical expertise through Formula 1 (analogous to the wholesale business), and using that expertise to improve retail car products. Another CEO (Foreign AM2) explained about the difficulty in relation to the lack of literacy by retail investors. The real issue for retail products is a lack of risk diversification. He

explained that this company has two lines of businesses, one is a product line where they have direct management capabilities, and the other is one where they subcontract management capabilities to outside parties. For the direct management capabilities, they focus on their own superior expertise. However, an issue occurred when their star investment team in the wholesale business agreed to create a fund for retail business. They created a fund which did not sell as the distributors and intermediaries were unable to translate the benefits of the funds adequately to allow retail investors to fully appreciate the superior investment capability of that fund (Large Financial Group AM2). One CEO mentioned that in the wholesale world performance is everything, whilst for retail, logical explanation is far more important (Large Financial Group AM2).

My reflective thoughts on this issue are that the success of a regional focus fund demonstrates the importance of sharing ideas between the investment team and sales team. While talking with the CEOs, I remembered that I myself enjoyed talking to investment fund managers. Their sure win strategy is extremely complicated, but once you understand the underlying reason for the better performance it is very attractive. That said, to have retail investors understand such a complicated mechanism is almost impossible. You need a great deal of collective intelligence to explain investment concepts to retail investors adequately for them to be able understand the attractiveness of the fund. I believe that it is possible to attain this goal, as attractiveness could be from an entirely different angle, so long as the explanation is easy to understand.



## 6.6 Feedback on the Development of Knowledge Sharing Mechanism (2) Dimension

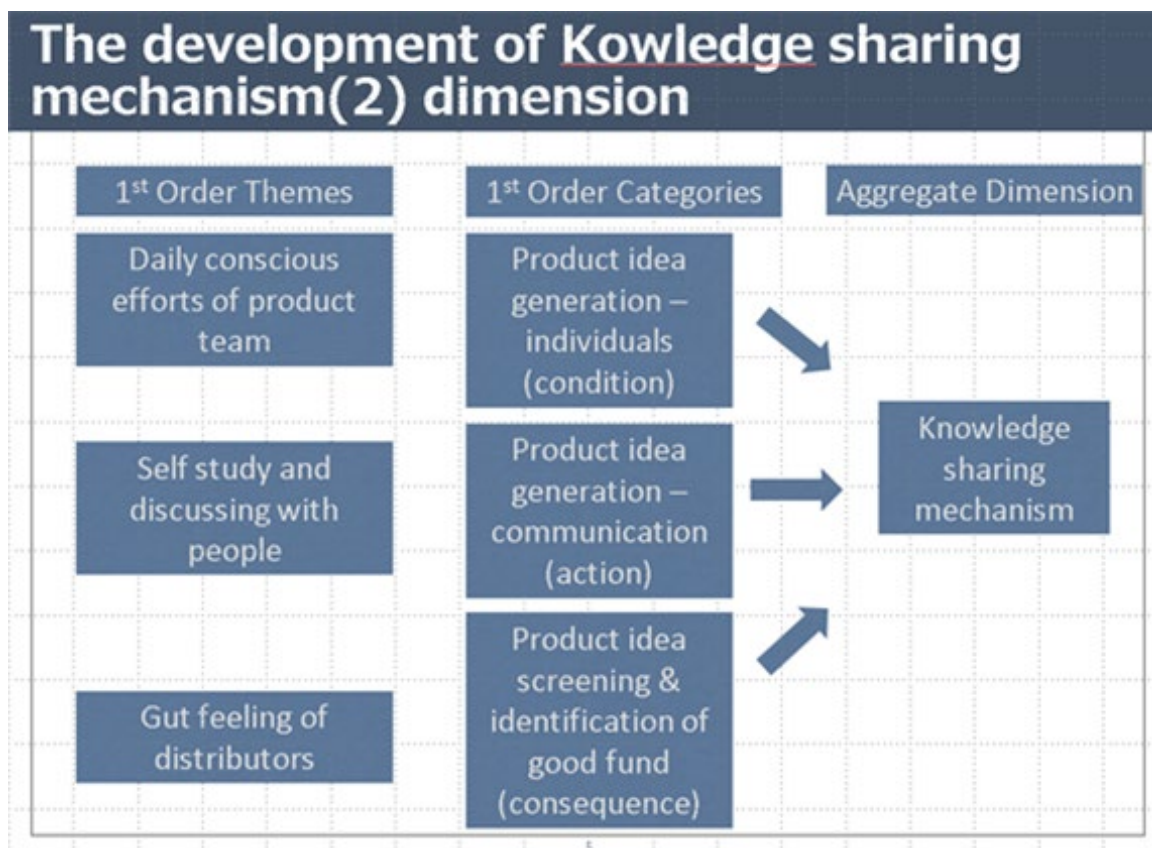


Figure 6.5. The development of knowledge sharing mechanism (2) dimension

The summary of this development of knowledge sharing mechanism (2) dimension is as follows:

An innovative asset management company would:

1. Have established a mechanism to share ideas generated by an individual with the organisation.
2. Encourage and support the idea generation by individuals.
3. Test and evaluate the possibility of success of new ideas by individuals through the established knowledge base of the company.

The responses by the CEOs are as follows:

As to the knowledge sharing mechanism, one CEO (Large Financial Group AM1) mentioned that regular formal fund idea meetings amongst their product development teams across the world exactly reflects the concepts outlined in this knowledge sharing mechanism dimension. Independent AM2 stressed the importance of knowledge sharing saying they always try to manage knowledge, but the reality is it is not well

organised. Within the organisation there are people with different expertise, such as those who are strong at taking care of institutional investors, or pension customers or the retail business. Thus, sharing of knowledge amongst all for cross-idea generation is considered important. He further commented that expertise held by individuals is very different, thus sharing knowledge amongst staff is important. Another CEO (Foreign AM1) commented that having a knowledge sharing mechanism within an organisation is fundamental, noting that it appears to him to be standard practice for asset management companies to have systematic knowledge sharing mechanisms to evaluate and screen potential fund ideas. Another CEO (Large Financial Group AM2) echoed this statement saying that knowledge sharing amongst idea generators, and the product, investment and sales teams is the most fundamental and important dynamic that any asset management company should possess. However, one CEO was rather dubious about open forum product meetings saying that usually the higher the number of participants, the less effective the meeting is. As a result, striking a balance between open participation and meaningful discussion is quite important (Foreign AM2).

My reflective comment is that sharing collective intelligence can make a potential fund idea suddenly viable. Once the viability of the fund is confirmed by the participants, staff become enthusiastic about the new fund idea. Usually, advocates of such fund ideas are just two or three people from different departments in the organisation, but they are the ones who officially process the idea and make the launch of fund a reality. This is an interesting collaboration and if endorsed by each department, the feasibility of the fund is substantially improved. I see this is an interesting process of collaboration.

## 6.7 Feedback on the Development of Knowledge Sharing Mechanism (3) Dimension.

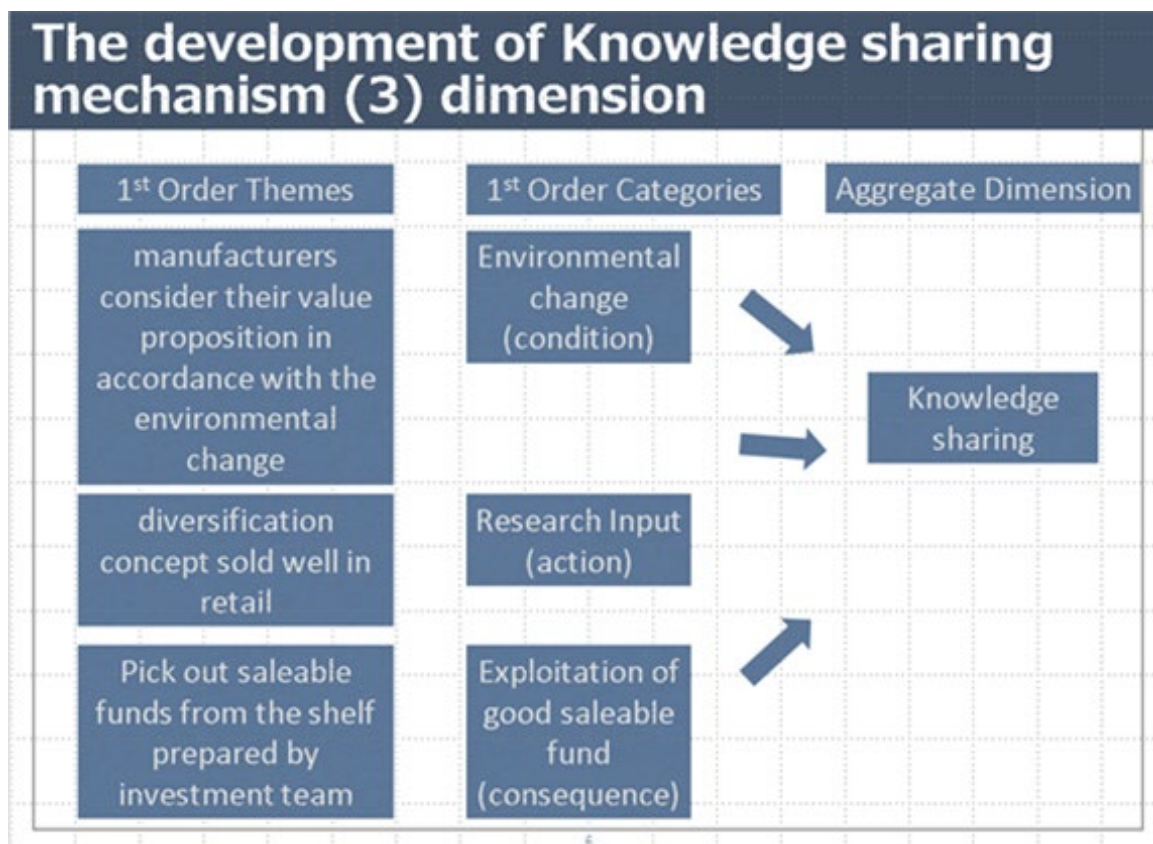


Figure 6.6. The development of knowledge sharing mechanism (3) dimension

The summary of this development of knowledge sharing mechanism (3) dimension is as follows:

An innovative asset management company would:

1. Have the ability to forecast the change in the investment environment and convert the knowledge into fund products.
2. Understand its own investment capabilities and be able to identify funds in need from the existing fund shelf.
3. Able to verify viability of the fund by deploying research capabilities.

The responses by the CEOs are as follows:

One CEO (Large Financial Group AM1) highlighted that as an asset management company, they are not interested in the short-term asset price movement; it is the long-term investment perspective that is so important for the creation of any fund. Another CEO agreed, highlighting the importance of an effective knowledge sharing mechanism (Foreign AM1). Another CEO (Large Financial Group AM1), who

predominantly uses third-party fund management companies, stressed that a focus on examining their own capabilities and existing product lines was not that important. Rather, they tend to explore ideas and find out those investment companies with the required investment skills to manage the potential fund later in the process. Another CEO (Independent AM2) commented on the change of customer buying trends, noting that the old style of one-on-one sales is gradually being replaced by online sales. A significant development is the fact that SBI Securities, the biggest online securities company, has more customers than Nomura Securities, the largest securities firm in Japan. One CEO (Large Financial Group AM2) stressed the importance of timing of any new fund launch. For example, for emerging market equities, you have to prepare for the fund when the emerging market is in its trough. All the active management companies adopt this type of process and approach. Another CEO stressed the importance of looking at the future, not the present, to come up with effective ideas (Large Financial Group AM2). This CEO reiterated the burden on the CEO saying they should influence their company's appreciation of the big picture provided by changes in the industry and the market from time to time. He further commented that ideally one should come up with ideas that others have not thought of.

My reflective thought on this dimension is that there are always some social trends to be followed. The difficulty in incorporating the trend into a fund is that we need to think of the longevity of that trend and thus the monetisation potential of the change. Whether it is in relation to a new profitable industry or country or regions that could benefit from the change, careful consideration about the threats and opportunities around the corner or in the more distant future need to be carefully considered. This is easier said than done, and in order to have wider imagination, participation by as many staff as is efficiently possible will be essential.

## 6.8 Feedback on the Development of Establishment of Information Network Dimension

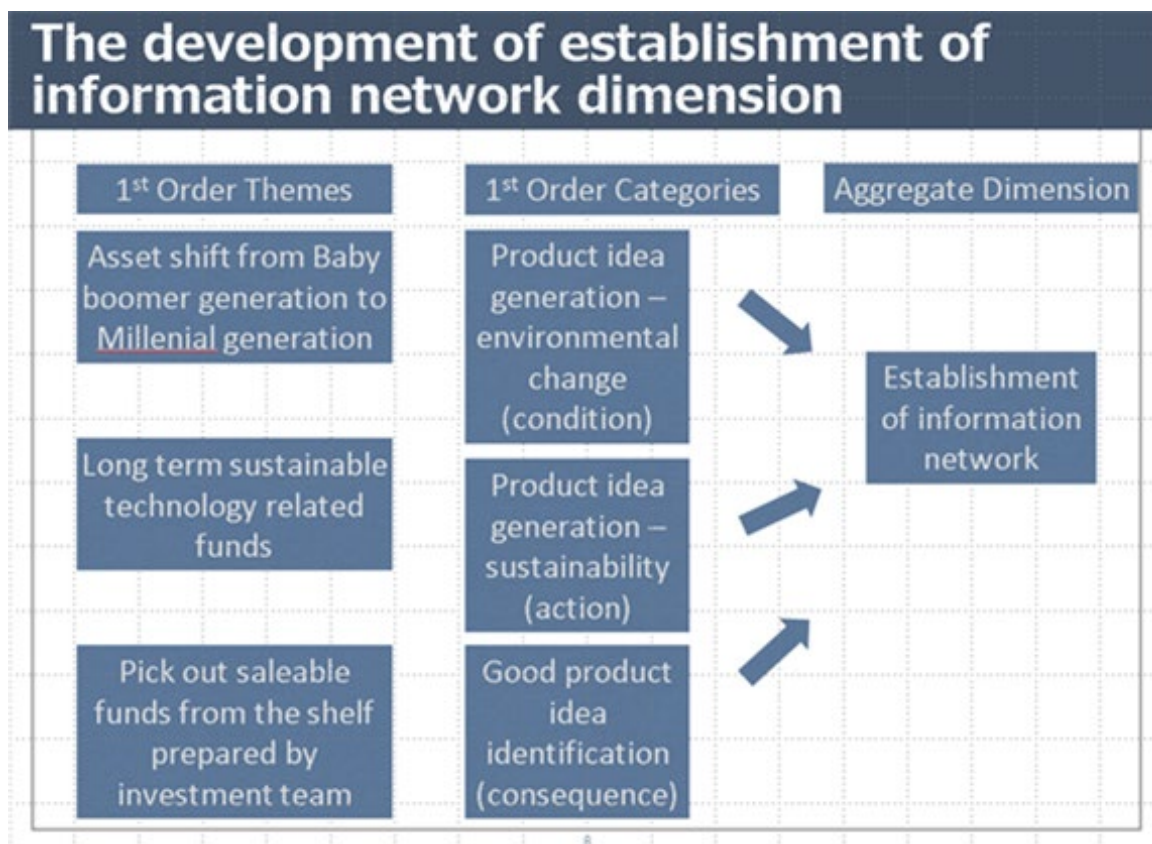


Figure 6.7. The development of establishment of information network dimension

The summary of this development of the establishment of information networks dimension is as follows:

An innovative asset management company would:

1. Be able to capture the significant change in the market environment and link the understanding with new fund ideas.
2. Be able to focus on the sustainable effects of the change and create sustainable new fund ideas.
3. Be able to establish an information sharing network to test the validity of the new ideas.

The responses by the CEOs are as follows:

With regard to the establishment of information networks, one CEO agreed that the establishment of regular meetings is seen as an integral part of his company's information network (Large Financial Group AM1). Another mentioned the importance of making the sharing of ideas a matter of routine, adding that at his company, an

information exchange meeting is held once a month for a free flow discussion of ideas (Independent AM2). There appears to be a difference in the degree of this being part of a company's systematic process and the level of control exercised by the company at these meetings, which tends to depend on each company's culture. Some information sharing processes are very systematic and highly controlled while others are much more liberal and much less formal (e.g. Independent AM2). Addressing the change in market environment as an opportunity, one CEO considered this to be more of an investment idea or investment theme rather than product idea. He explained that this change in environment could occur gradually over the next 15 years, like a trend (Foreign AM1). As to the time scale of market change, one CEO mentioned that a sustainable change might only be considered as present if the change would last for 10 to 20 years. Those asset management companies who are good at thematic funds introduce a new fund every year, but because they are rarely sustainable in the long term, they have to introduce new funds constantly to match the early redemptions that occur in these less sustainable funds (Foreign AM1). Another CEO (Foreign AM2) stressed the importance of having constant opportunities to exchange ideas saying the core part of any information network is to organise effective meetings so that all feel free to suggest ideas without hesitation.

My reflective thought on the network requirement is that the information network should always be active, whether formal or informal. Management should always be conscious that effective, multi-party communication should be possible at any time. One needs a framework and disciplined practice to make the effective exchange of information possible. Holding regular meetings, forming study groups or having internal communication through the intranet would be effective. The CEO has a role to play and should share his views and aspirations each and every employee so management's position is understood by all. In particular, greater use of the intranet to secure ideas and opinions could be one of the most important and effective means to gather this feedback.

## 6.9 Feedback on the Development of Individual Cognition Dimension

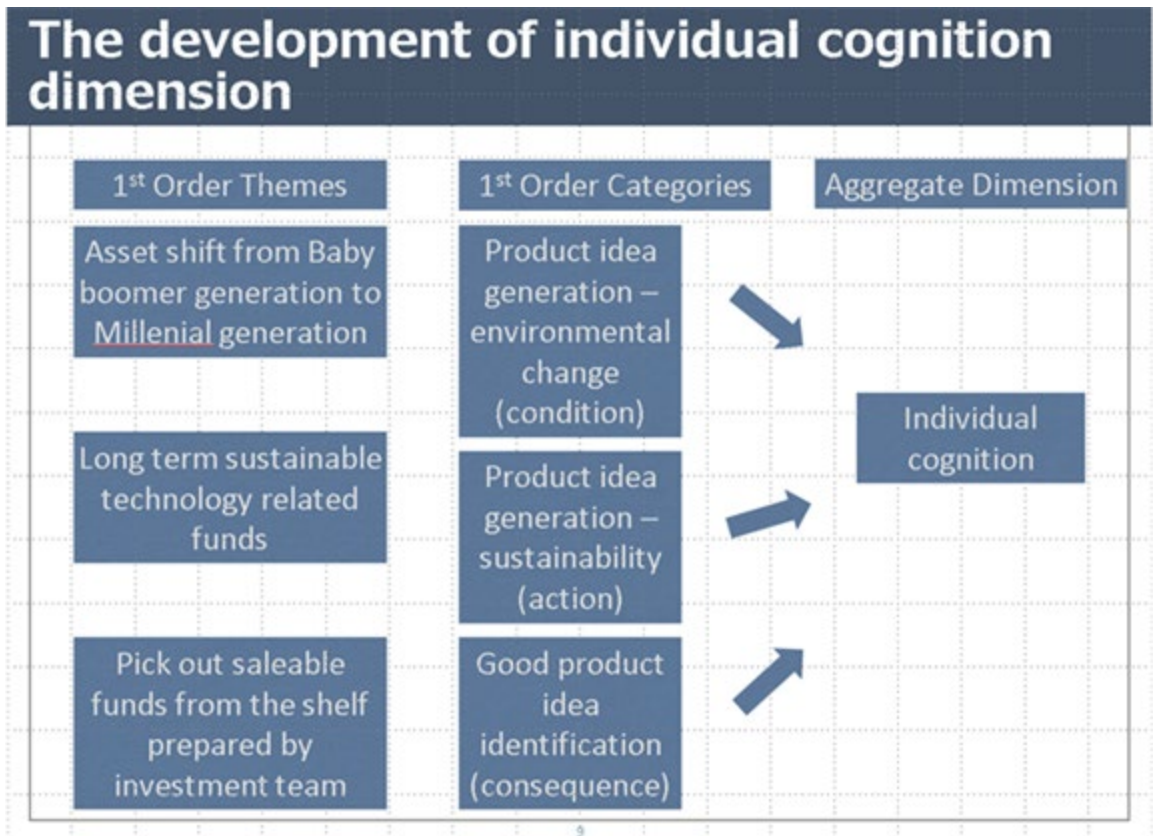


Figure 6.8. The development of individual cognition dimension

The summary of the development of individual cognition dimension is as follows:

An innovative asset management company would:

1. Be able to identify trends, market and economic developments ('environmental change') quickly and efficiently.
2. Be able to make a proper assessment regarding the effect of the relevant change on company performance.
3. Be able to judge whether the relevant change is sustainable or merely short term.
4. Have employees who can identify these changes swiftly and correctly.

At the second round of interviews, I invited the views of the elite CEOs. The responses by the CEOs are as follows:

As to the importance of having an idea generator in response to environmental change, one CEO agreed that individual cognition is a significant factor in achieving this (Large Financial Group AM1). Another CEO (Independent AM2) stressed the importance of individuals, saying there are only a certain number of managers who are adequately skilled in each line of business. The role that individual idea originators play

is significant to enable companies to create new fund ideas. A third CEO (Foreign AM1) warned about the timing of fund introduction to the market saying the most difficult thing is that even if the concept itself is sustainable, introducing the fund too soon can result in disappointing sales. On the other hand, if the fund is launched too late, other asset management companies, having introduced the product earlier, would secure the majority of the market. Thus, the timing of the launch of the fund is very important. For example, everybody knows that the population in India will surpass China over the years, and economic growth of India will be respectable. However, whether that justifies launching an India fund now is another story. Another CEO (Foreign AM2) pointed out the importance for management to retain a long-term view, saying the perspectives of the sales and product staff may be different from that of management. Senior management should understand and be aware of the various perspectives and bear these in mind when taking strategic decisions. A fundamental environmental change, like the emergence of Millennials, is regarded by one CEO (Large Financial Group AM2) as more of the idea from the investment team although he admits there are ideas generated from the sales team in other areas. One CEO highlighted the limitations of ideas generated by investment teams saying that they tend only to come up with ideas that are extensions of their current investment management approach rather than anything disruptive (Large Financial Group AM2).

How we enable individuals to come up with good fund ideas is our key challenge. My reflective assessment of this dimension is that personnel should be identified by management and that they should be encouraged to participate in product meetings. In HSBC Global Asset Management, I identified the person in charge of quants as the most suited for product development and appointed him as head of products. This worked very well and the product ideas were swiftly scrutinised, efficiently evaluated for viability, communicated with distributors and launched quickly. The head of products is undoubtedly one of the key people in any asset management organisation, and management should be always aware who is the best person for this role.



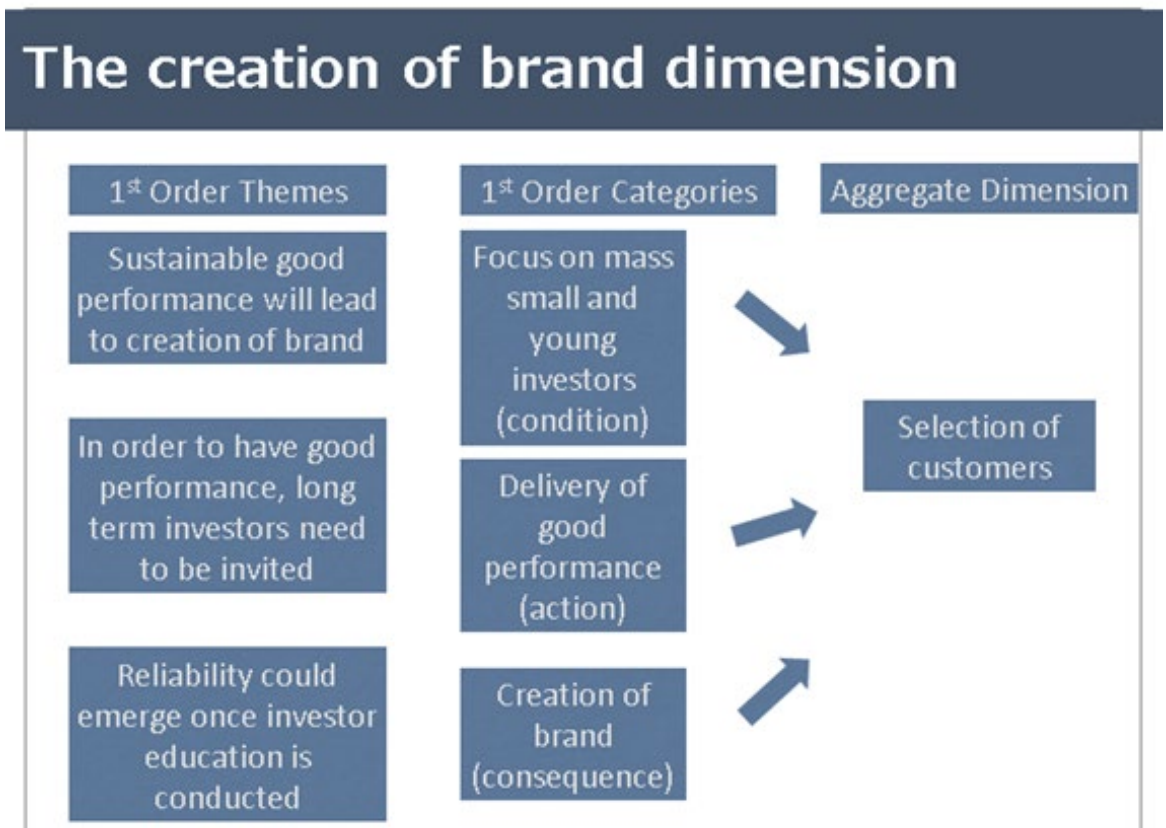


Figure 6.9. The development of the creation of brand dimension

The summary of the creation of brand dimension is as follows:

An innovative asset management company would:

1. Recognise that good performance will result in the creation of a positive brand.
2. Understand that young mass small investors would become long-term core investors.
3. Understand that young mass small investors choose asset management companies through familiarity or amicable character.
4. Understand that investor education will result in creating a loyal investor base for that asset management company.
5. Recognise that a fund with fewer redemptions will have better performance.
6. Understand that non-investment activities (e.g. CSR, such as volunteer activities, child education and in-house care) could be part of branding the business as a good corporate citizen.

The responses by the CEOs are as follows:

One CEO (Independent AM2) stressed the difficulty in establishing an asset management brand, noting that when it comes to the brand of an asset management company, the old and the successful fund 'Global Sovereign' was known by many investors, while the name 'Kokusai Toshin' was hardly known by anyone. An independent firm CEO commented that independent firms cannot beat large financial group asset management companies in terms of volume of sales. As a result, they seek to compete on the quality of their approach and balanced funds as being a safe and small but consistent investment fund providers (Independent AM2). As regards the idea of establishing a brand by consistently superior performance, another CEO (Foreign AM1) observed that even the top investment managers can have the occasional poor performance. The issue for him was to be able to explain the shortfall of performance in a logical and coherent way. He added that branding could start with educating the distributors of the asset manager's funds where distributors sales results are significantly down from expectations.

It is generally felt that the level of expertise of distributors' sales staff is not high enough. As a result, any attempt by asset management companies to educate sales staff is important. This educational focus could be part of the brand. Another CEO (Foreign AM2) echoed the importance of distributor education for brand establishment. He observed that education provided by his company is a high intensity activity, as while certain distributors understand the quality of his company's investment management abilities, others, often new entrants into the market, focus on knowledge acquisition only and are not able to tell the difference of in the quality of educational support provided. One CEO (Large Financial Group AM2) believes that fiduciary duty is the most important aspect, saying that responsible investment is the core of the establishment of the brand. The failure to meet the basic obligation of responsible investment would jeopardise any reputation, thus an understanding and demonstration of responsible investment is crucial to establish a brand. This statement is echoed by another CEO who said that Environment, Social and Governance is something that one always should be aware of and that could be done at the leadership level of CEO (Large Financial Group AM1).

My reflective thought on the creation of brand dimension is that it appears to be the most important of management objectives for each of the CEOs on my panel. All are very aware that establishing trust between the asset management company and the investor is crucial for success, but how this is achieved and how one establishes a brand varies amongst the panel. Some are focussing on investment performances and

direct communication with investors, while others are trying to establish an image of good corporate citizenship to establish a shared value with investors outside of the investment relationship itself. I feel it is imperative that the company deliver continued superior investment performance, as that is what asset management companies are intended to achieve. Independent AM1 had a similar outlook to that of PIMCO and were confident that they can deliver continued better performance in Japanese equities funds and that this was the secret formula. In his view, ultimately, only better performance leads to an increase in total wealth held by individual investors.

### **6.11 Concluding Remarks**

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This second round of interviews was most informative and stimulating. The CEOs' views were extremely varied with many being outside my initial expectations. The positive outcome of this research was that all the CEOs appreciated the need for management interventions for more efficient product development. Indeed, many asked me to present them with a copy of the thesis once it is completed. They were sometimes surprised at the depth of thoughts by other companies in tackling these issues and appreciated the dimensional summary as most informative. Some CEOs were surprised that there are other CEOs thinking the same way as they do and reaffirmed the importance of such initiatives going forward. I really appreciate their honesty in expressing their views and experiences as the accumulated intelligence summarised here should constitute the most comprehensive aggregation of the experience and perspectives of senior leaders held by the industry in Japan.

## **CHAPTER 7 CONTRIBUTION TO PROFESSIONAL PRACTICE**

### **7.1 Introduction and Identification of Actionable Knowledge**

Chapter 7 summarises the conclusions from the research, expressed as actionable knowledge, that is relevant to and that has implications for professional practice at asset management companies operating in Japan. The observations are presented from the angle of key concepts relevant to intervention strategies currently carried out by the leading asset management companies in Japan. Initially, the actionable knowledge is specific to each organisation. These solutions, however, could be common to all the asset management companies as the strategies suggested are commonly applicable to any asset management company. The variety of actionable knowledge is considered to be generalisable knowledge as opposed to those only applicable to a specific asset management company under a certain circumstance. Here, I focus on generalisable knowledge when suggested actionable knowledge by the elite CEO is commonly applicable to any asset management entity. I occasionally touch upon company-specific knowledge to eliminate specific weaknesses of certain type of companies under a unique circumstance.

The following is the actionable knowledge, either general or specific to each organisation.

#### **7.1.1 Originator – intellectual resources**

The existence of a capable originator of fund ideas is of paramount importance for asset management companies in Japan. The identification of capable individuals tends to be done through the mechanism of open forum product meetings held by the company from time to time. Most of the organisations to whom the author spoke did not have any restriction on employees participating in these meetings. Several CEOs were clear about their determination to encourage participation by all employees and encouraging participants to voice their opinions freely. From the various participants, CEOs can then identify the most capable and innovative individuals who might take a role as the lead product manager. To maximise the efficiency of fund product idea generation, it is important that the most capable person is identified from the pool of company staff to act as product manager since it is less costly if the generated ideas at an early stage are effective with higher potential to be developed as a new product. In view of the foregoing, elite CEOs suggest that periodical new product meetings be held to encourage participation by all staff. It is also suggested that opinions of participants should never be rejected or neglected as such denial would most likely

disincentivise the expressing of opinions by participants. It should also be noted that that increased levels of time and efforts devoted at the early stages are proportionately rewarded by the enhanced level of product performance.

### **7.1.2 R&D investments**

R&D expenditure is generally not very apparent in the asset management industry as technology-related expenditures are limited to operational matters such as installation of trading systems in each market, membership fees in each market, and HR-related costs. That said, it is believed to be essential by elite CEOs that the asset management company should exercise best efforts to develop new fund product ideas through R&D. R&D in this case refers primarily to the research costs needed to gauge the likelihood of success of the new fund ideas or relevant costs to establish an investment method. There could be further costs incurred to properly assess potential demand in the market. Such efforts and costs are important for an asset management company to remain innovative. The most important and often neglected aspect of these R&D investments is the cost–benefit evaluation. According to the CEOs, an asset management company's business plan is usually set as a targeted percentage growth from the previous year's results. They recognise that the challenge to CEOs is that the key ingredients of successful novel fund ideas which include market analysis, position analysis and investor appetite are costs to the business. In addition, returns are uncertain for both scale and timing. As such, the R&D efforts will require upfront costs, and for that reason, there is always the temptation for CEOs to cut costs. However, all the CEOs I interviewed know that this should never be done. Those highly successful asset managers understand that R&D expenses are necessary to produce high returns and what is required is patience and belief in the likely success of the products developed. The reality is that the usual fixed cost base for establishing a fund is in the low millions of dollars while the returns from a good innovative product could bring in tens of millions of dollars in net revenue a year. It has been clearly pointed out by the CEO of Foreign AM1 that CEOs should understand this profit equation and focus on increasing the efficiency of fund idea production so that outcomes are as positive as reasonably possible.

### **7.1.3 Prior knowledge – types of knowledge**

As Cohen and Levinthal (1990) argue, prior knowledge is the single most important antecedent variable for ABS CAP. The technical, procedural and intellectual understanding of relevant intellectual assets is a prerequisite for innovative ideas to be given due respect. For asset management companies, long-term interest in the issue,

with in-depth experience and focus as well as the lateral thinking knowledge to be able to consolidate the idea and make it into a commercially viable product are indispensable. According to the elite CEOs, this is easier said than done. The important implication for asset management companies is that they should sort out prior knowledge and understanding into practical frames so that they can be referenced easily and efficiently whenever new product ideas are under consideration. This synthetic thinking ability is needed not only at the individual level, but also at the company level. Having said that, too much historical data could hinder the development of new product ideas. What is required is lateral thinking and anything that is to be disregarded should be carefully considered and controlled by the relevant organisation.

Knowledge built on the basis of experience is generally regarded as a prerequisite for innovative thinking as the innovator should have an accurate sense of the contextual relevance before they are likely to make helpful ideas for improvement or potential solutions. Thus, the depth of experience of the individual product lead or product manager is important as some lateral thinking is stimulated by reflections on experience. This tends to lead asset management companies to have product managers who have been with the company for a considerable period. However, while depth of experience is invaluable, too great a focus in the past can lead to constrained thinking and there is less chance that a breakthrough new or disruptive idea is identified.

In terms of need knowledge and solution knowledge, many asset management companies involved in this study are keen to follow the need knowledge and have established a systematic process to capture such demand. Solution knowledge, on the other hand, was rather rare to see from the interviewed companies. I believe the reason for the absence of comments on solution knowledge was due because solution-oriented product development is rarely seen, albeit once it happens – such as with ETF products – the impact is enormous. But the very low frequency of such occurrences makes it hard for any asset management company to build this efficiently into normal product development processes. As a result, as part of their generalisable actionable knowledge noted by all the CEOs as the one applicable to any asset management company, I would recommend that asset management companies focus on need knowledge through regular contact with distributors to explore the composition of investors' portfolio preference, risk preference and return aspirations. As a result, they will then understand the types of products that are most likely to meet investor

appetite, although this will not be easily articulated. The knowledge as part of the strategy should be general to all the asset management companies, but a more specific prior knowledge could be established by a certain type of a company for easier image sale and promotion.

#### **7.1.4 Knowledge flow and accumulation structure**

Knowledge flow is facilitated through constant communication. Firstly, there should be a system within the organisation that enables the distribution of intended messages in a systematic manner. There should not be too much modification of the original idea through the process. At the same time, effective communication should be encouraged by the organisation. Frequent product meetings will help to solve this problem. Through the interviews, all the CEO reaffirmed that there are conscious and constant efforts by organisations to share, refine, enhance and fine-tune an individual's product ideas for the ultimate goal of commercialising the idea into reality. On top of a formal schedule for product meetings, the most effective are promoted by companies with a liberal, open and family-like culture. Company culture is formed by its heritage, routines, stories and norms. In many cases, past successes are just wasted. Successful companies could turn past successes into stories and new norms to build up a new culture. A family-like culture means that the people in charge of products or those who propose new product ideas are safeguarded from any possible accusation, demotion or dismissal. Penalising failure to create a successful fund would constrain idea generation and cause the company to shrink and reduce its ability to challenge through innovation. Family members are protected in their respective senior positions but equally product managers should be allowed to freely express their views, try out their ideas, challenge and struggle for success. One thing that an asset management company should bear in mind is that the cost of failure is far lower than the benefits of success. As was stressed by the CEO of Independent AM2, asset management companies should have a lot of tolerance in waiting for the good product ideas to be commercialised. The more tolerance, the more likelihood of success.

Top down initiatives could enhance development activities but they may also hinder managers' confidence to explore and develop ideas on their own. This means too much top down instruction could kill new idea generation. Thus, bottom up approaches are preferred, but in such an environment, there should be conscious organisational efforts and awareness to maintain or increase the level of product development activities that might otherwise dwindle.

Accumulation of knowledge through past successes and failures is quite consciously and carefully managed by successful asset management companies in this study. They are used to create stories that could become a building block for a solid corporate culture. As part of the actionable knowledge that CEOs need to be reminded of is that many of the asset management companies let their past successes and failures be retained in the memory of relevant responsible staff, almost confidentially, rather than be shared. This is a significant waste. All the asset management companies should be aware that the sharing and remembering such stories is important for more efficient product development.

#### **7.1.5 Learning mechanism and education**

A learning mechanism is a process of knowledge acquisition, its conversion, application and accumulation. It works to enhance the overall ABS CAP to be more effective and more efficient. A learning mechanism includes exploration of external sources of knowledge, adaptation to the changes in market and business environment, facilitating the generation of innovative ideas, and understanding customer/investor requirements. During the interview process, not too many companies mentioned the importance of training per se, however, many referred to their workforce as effective and self-learning. The training process appears to be in the domain of the individuals rather than the company. They respect their workforce to the extent that such private educational intervention is absolutely redundant.

#### **7.1.6 Champion**

The existence of a champion facilitates the innovation process by influencing the availability of the necessary resources and support. For almost all the asset management companies interviewed, the champion is the product lead or head of products. However, depending on the organisation, a champion could be the one who has officially proposed the new fund idea. The impact of a champion is greatest if the CEO takes on the role. In the case of Large Financial Group AM2, the CEO took the role of champion to promote a revival fund, with great success. This demonstrates that the more senior the champion is within the organisation, the more beneficial it is for the development of the relevant idea. The case is specific to Large Financial Group AM2, but actionable knowledge drawn from the interview is that if the originator of the idea is to take the champion role, then there should be a system in place, involving a committed senior executive with adequate influence, to support him or her in the development of the relevant idea. This specific idea to establish a process to support a champion for the materialisation of ideas should be rare but should be very effective



and should be shared by all the asset management companies as part of the generalisable actionable knowledge.

### **7.1.7 Professionalism and specialisation**

In the asset management industry, various publications confirm that professionalism is demonstrated by having knowledge about the risks and returns of investment for any kind of asset class. This knowledge is best demonstrated in wholesale business promotions as the audience will comprise sophisticated professional investors that will expect any presentation to reflect a profound technical and practical knowledge of the investment industry and the relevant market. Thus, the use of technical investment theory is accepted and expected at such presentations as a matter of course. However, that is not the case in the retail business. In the retail business, it is very likely that the audience will comprise amateur investors who know little or nothing about technical investment analysis. As a result, the key point for asset management companies to understand as part of their generalisable actionable knowledge is how to explain the rationale for a proposed investment product in a clear and simple fashion suitable for such investors. This is easier said than done, but if a company can translate their wholesale prospectus into a form suitable for use in the retail business, then there is a considerable opportunity to convert wholesale funds into funds that are saleable as part of the retail business (Independent AM2). Some asset management companies are already making very good progress on this issue. Going forward, however, a more innovative approach reflecting the accumulated intelligence by the use of AI could be identified and converted into a new product. The CEO of Independent AM1 opined that exploration of a causal relationship between some change in facts or status or environment and the overall performance or investor reception as a result would be an interesting theme. He suggested that this type of relationship could be found accidentally but could be a good tool and method to find a good investment theme. AI will be a necessary tool for an innovative asset management company to find a good investment target, statistically proven for the relationship between causes (incidents or facts) and results (investment performance).

### **7.1.8 Individual cognition**

Cohen and Levinthal (1990) identified that the level of the individual's ABS CAP and the interaction between individuals is a relevant antecedent variable. They argue that an organisation's ABS CAP will depend on the ABS CAP of its individual members. It is true that if all the members excel in coming up with innovative fund ideas, then the company is likely to be fairly innovative and productive. However, in the companies

studied in this research, this was not always evident. There are individuals with different skill sets and different levels of ABS CAP. Identification of capable individuals is usually done at the time of the open forum product idea meetings. All of the CEOs understood that it is important that the views of participants are able to be introduced freely without interruptions or constraint. Thus, though difficult, the characteristics of the knowledge environment dictate the level of ABS CAP.

In analysing individual creativity, cognitive psychology provides the most prevalent and developed perspectives on the source of creativity (Simonton, 2000). Research efforts have focussed on the cognitive process behind the individual creativity, characteristics of innovative people, development of individual creativity across an individual's lifecycle, and the social environment supporting creativity (Kaplan & Tripsas, 2008; Thrane, Blaabjerg, & Moller, 2010). Thus, the generalisable actionable knowledge drawn from here is that for an organisation to increase the individual creativity of the existing workforce, it is essential to understand the cognitive process behind the creativity. When there was a similar fund in the past, the assimilation of the new fund idea is easier, and most of the asset management companies have established a framework and support system to process the idea, but a genuinely new idea that needs transformation before it is assimilated would be very difficult to tackle for any asset management company. In some cases, active research or advice by senior management would be able to give a clue to enable such a transformation. The Independent AM1 CEO suggested that the creativity of one individual could be enhanced if proper supply and analysis of data between causation or change in environment and investment returns or performance is provided.

#### **7.1.9 Management cognition and dominant logic**

It is imperative that an asset management company has the flexibility in its cognitive functions to value external knowledge. An idea for a product can come from anybody, from any direction and at any time. Management should be careful not to be caught by the embedded knowledge base, structural inflexibility, feedback loops and power relationships which risk good ideas being discarded at the outset. Actually, the CEO of Financial Group AM1 cautioned that this risk has some prejudice as he might be killing an otherwise the excellent idea before competitors come up with it. Business and market changes appear in many different forms which could include technological, economic (consumer, supplier, competitive, resource), institutional (regulatory, political), or social (relationship) changes. Asset management companies should have all these perspectives covered as part of their analytical process so that they can

effectively evaluate the potential of the relevant idea. At the same time, management should have a system to gather relevant external information quickly and accurately to find the optimal solutions for innovation.

It is usually better if an asset management company establishes its own body of perceived investment analysis and wisdom which is what I will call 'dominant logic', which can help to reduce the complexity of the business environment. Having said that, dominant logic could limit the firm's ABS CAP as it could create inertia. This risk should be fully appreciated by management. Of the six companies interviewed, three had management-sponsored dominant logic and three did not. The best course of action could be influenced by the culture of the organisation. The specific actionable knowledge drawn from here is that there could be companies for which dominant logic works, but this approach is specific to companies with some characteristics and the application of specific ideas is contingent upon the company culture and organisational control framework. The CEO of Large Financial Group AM2 was adamant about this logic, saying, 'Conceptually, it is not always the case that a dominant logic shared by the group works better for the product development. The performance depends on the management style, method and culture of the group, and you have to bear in mind that sometimes dominant logic could work against you for the product development.' My interpretation of this actionable knowledge is that this knowledge is specific to the organisation and should be carefully applied giving full consideration about the effect of the environment surrounding the investment. General application of this solution could be very difficult.

#### **7.1.10 Task motivation and ABS CAP achievement incentive structures**

Almost all of the CEOs expressed heavy reliance on the capability of product specialists. Amabile (1998) argues through an extensive empirical study, that people will be at their most creative when they feel motivated primarily by the interest, satisfaction and challenge of the work itself, and not by external pressures. For many of the asset management companies, the expectation of the CEOs for results from the product team is high. This raises the level of intrinsic motivation of product-related individuals and, in turn, creates a virtuous cycle of good delivery of innovative products. In terms of monetary incentives for product managers, no company suggested that they pay a premium for their work. Overall, product managers are well paid in the industry. As a result, additional money is unlikely to be a motivator. Rather, the generalisable actionable knowledge here should be that the trust and encouragement by the CEO appears to be adequate motivation for product managers. This is general

knowledge shared by all the leading CEOs as all of them stressed this point. An illustrative quote includes a statement made by the CEO of Foreign AM1: 'Due recognition of the new product generation achievement should be made broadly and widely within the organisation to shore up the motivation of product specialists.'

#### **7.1.11 ABS CAP achievement incentive structures**

When I had an interview with a CEO, quite often his head of products accompanied him to the meeting. I noticed that product managers are highly motivated and are keen to create new innovative funds. The driver for these people appears to be both curiosity and a sense of challenge. All of them said they enjoy their work. Amabile (1998) argues that people would be at their most creative when they feel motivated primarily by the interest, satisfaction and challenge of the work itself, and not by external pressures. The CEO of Foreign AM2 affirmed the idea, saying, 'Generally, product managers are regarded as amongst the most intelligent people with a profound knowledge about investment theory, the economy, investor behaviour and relevant regulation. The fact that they have achieved the status of product manager is indicative that he or she has the knowledge and capability to manage the diversity of problems in coming up with a fund. Being a product manager itself offers source of pride.' Thus, the generalisable actionable knowledge here is that organisational structure that fosters respect, belief and pride in an individual's talent will help to create the intrinsic motivation to encourage innovation.

#### **7.1.12 Competitor and customer orientation**

Of the six companies interviewed, no company was keen to follow the movement of competitors. As an ex-CEO, I know there are indeed several companies in the market that are nimble and quick followers of good ideas. They will quickly copy the product and try to replicate its success. The six CEOs interviewed are far more determined that their companies should explore any fundamental changes to the economy and the investment environment and that they should try to identify the best option for their investors. Their eagerness to communicate directly with investors is wise. Some companies only seek investor opinions indirectly, through distributors, but such dialogue is extremely infrequent. However, other asset management CEOs including Foreign AM1, Foreign AM2, Independent AM1 and Independent AM2 confirmed that they take every opportunity to have direct contact with retail investors. This approach pays dividends. Direct communication efforts by those asset management companies have resulted in the highest hit product ratio in the industry. The CEOs have a concerted view. The generalisable actionable knowledge here is that all the asset

management companies should make every effort to communicate with investors directly.

#### **7.1.13 Clan culture – openness to change**

As theory suggests, an open culture nourishes diversity and thus a variety of ideas (Kanter, 1983). But through my conversations, I found what it is important is the alignment of strategic direction between the CEO and product managers as well as the existence of mutual trust between them. A clan culture stresses employee participation, teamwork and cohesiveness and is supportive of innovation (Moorman, 1995; Sivadas & Dwyer, 2000). A proactive attitude towards change provides organisations with a culture open to innovation.

It is easy to identify differences in culture. What is extremely hard is to replicate the same successful open and liberal culture in one's own organisation. There was one specific company which was extremely good and effective at establishing a clan culture. The CEO of Independent AM2 stated, 'Our phenomenal success in introducing the innovative fund idea was based on the company atmosphere to encourage new challenging ideas without considering the negative impact of failures too much.' The rather specific actionable knowledge for asset management companies with a closed culture is that CEOs need to opt for an open and liberal culture and allow employees the space to come up with and execute fund ideas. The responsible CEO has to be very resilient to tolerate disappointing results during unproductive periods. However, truly successful organisations are able to establish a virtuous cycle by being patient and eventually realising perhaps fewer funds but larger successes in the end.

#### **7.1.14 Management combinative capabilities**

To stimulate successful innovation, management should deploy all necessary resources and they should systematise, coordinate and socialise them collectively. The CEO of Large Financial Group AM1 said, 'This combinative and collective resource deployment function is the combination that truly effective management should possess' (Gebauer, Worch & Truffer, 2012).

Those CEOs in the study who do coordinate knowledge within their companies ensure that it is shared with all the relevant staff in a way that the ABS CAP of the organisation is enhanced. The necessary combinative capabilities include establishment of an iterative learning process within the organisation. The generalisable actionable knowledge here, as demonstrated by several effective CEOs,

is that a system should be established that ensures that relevant useful information is analysed, pooled and shared as a matter of course amongst relevant members of staff.

#### **7.1.15 Ambidexterity**

In the asset management industry, exploration of ambidexterity is tantamount to broadening the gambit of this research to cover the all fields of investment, business and market environment, economy, and investor appetite. This function is needed to test the validity of idea as a new concept. A corporate structure that encourages this form of cross-collaboration and teamwork will be more effective in enhancing its idea exploration abilities. While exploitation capabilities are needed when due diligence of the product is done, the actual risk/return profile, legality, resource bottlenecks, depth of investment horizon, etc. are deeply investigated to ensure viability of the product. The concerted view of the interviewed CEOs was that the initial focus is primarily on the identification of innovative products. Once an idea is deemed to have genuine potential, extensive research efforts are taken to exploit the idea. The CEOs have stressed that due to the nature of the asset management industry business, which is forecasting for the future, the market and technological uncertainty is high. This indicates that the generalisable actionable knowledge that should be deployed by asset management companies is to reinforce both exploration and exploitation capability by management intervention strategies to encourage collaboration and teamwork and by enhancing research capabilities.

#### **7.1.16 Informal networks and internal communication**

For an asset management company to enhance ABS CAP, collaboration amongst investment, sales, products and research teams is required. Angle (1989) focussed on the importance of information flows in relation to organisational system and structure. These include expectations about the importance of communication, channels and vehicles available for communication, decisions whom to communicate with, and effect of communication. Many of the asset management companies in this study have established a systemic framework for frequent internal communication or regularly held official product meetings. The need for diversity of meeting participants was stressed by several of the asset management companies. Academically, however, cross-communication between teams is regarded as quite important (Angle, 1989). If this is the case, while there was only one asset management company exercising this kind of approach in my sample, it would appear that they should all hold interdepartmental product meetings to develop and explore new ideas. The Foreign AM2 CEO stressed what is important is mutual resource sharing and knowledge transfer from one

department to another to create critical competencies. The generalisable actionable knowledge is that an asset management company's network should be created so that it can readily obtain all necessary resources and information to innovate. The unique characteristics of an asset management network is that once the knowledge about the new product idea is shared, the role of cross-fertilisation is passed to many individuals including those in charge of distributor relationships, regulatory relationships, investment relationships, and so on. The information sharing activity through the network is labyrinthine but is very effective. All asset management companies should establish such an information network that is uniquely applicable to its own organisation.

#### **7.1.17 Organisational structure for collaboration and integration**

Although Cohen and Levinthal (1990) argue explicitly that organisational structure could shape the firm's ABS CAP beyond the simple sum of individual ABS CAP, they did not address the issue of collaboration and integration structure. According to the CEOs, all their product managers had a reasonable level of authority to involve different members of staff in the product initiatives in a variety of ways. As a result, individual efforts are coordinated to attain the goal of introducing the innovative product. In other words, coordination capabilities are enhanced by having cross-functional interfaces and decision-making. The Independent AM2 CEO said, 'The discretion assigned by CEO to product heads are highly flexible giving that person the persona very considerable degree of autonomy.' Equally, the socialisation process is enhanced by reinforcing connectivity amongst participants. There are a number of formal and informal meetings to exchange views, ideas and knowledge to facilitate the efficient development of the product or idea. That been said, the specific actionable knowledge is for the CEO to bestow a very high level of authority and discretion on his head of products. With this authority the head of products can instruct all relevant staff as if it were a direct request from the CEO.

#### **7.1.18 Knowledge sharing mechanism**

If an asset management company establishes a knowledge sharing mechanism, either it is knowledge donating or knowledge collecting. In many of the asset management companies, there are often staff who are very secretive in their jobs to protect their know-how, its value or their position in the company itself. I have not heard any complaint about such employees raised by the six asset management company CEOs I interviewed. They try to incentivise staff for sharing what they know with others. It is more like a culture than anything else, because even one with a brilliant idea can

create a fund by themselves. Therefore, at some point in the process, everybody understands that some form of information and knowledge sharing has to be done. The CEO of Large Financial Group AM2 was adamant about rewarding staff for a brilliant product idea but that the reward cannot be received unless the knowledge is shared and the product is actually realised. The generalisable actionable knowledge here is that CEOs need to encourage knowledge sharing behaviour in their teams to establish a culture that is likely to stimulate the production of innovative fund producing ideas.

#### **7.1.19 ABS CAP and organisational learning**

The ABS CAP concept originated from a study of 'organisational learning', or 'the process of improving actions through better knowledge and understanding' (Fiol & Lyles, 1985; Levitt & March, 1988). ABS CAP is a learning process of exploratory, transformative and exploratory capabilities. Thus, asset management companies should have a mechanism for individuals to acquire these capabilities through experience within the firm. Although ABS CAP is a learning process, no company CEO interviewed specifically mentioned learning for ABS CAP. It appears that all necessary knowledge is accumulated at an individual level and that learning is done on a personal basis. I believe the reason for the lack of institutional organised learning for ABS CAP is due to the absence of awareness of the concept of ABS CAP itself by asset management companies. Once the importance of ABS CAP is recognised, the actionable knowledge is that internal training should be provided to teach relevant staff how they could use ABS CAP for more efficient product innovation.

In sum, actionable knowledge, both generalisable and specific, suggests that CEOs need to be committed to fostering a free and liberal corporate culture. This will encourage and incentivise individuals, support individual employees and help them to come up with innovative ideas. These ideas will be gained through deeper specialisation, good communication with customers and colleagues by way of active communication, knowledge sharing and collaboration amongst staff which will enable the organisation to grow by accumulating and using these new ideas and processes.

## **7.2 Limitation of the Research**

The first limitation of this study is its inability to make generalisations on the basis of research based on relatively few companies in the asset management industry in Japan. The limitation is inherent in the study as its sole purpose is to improve the



innovation capabilities of asset management companies through the enhancement of intervention strategies on both corporate culture to facilitate improved innovation process. Since there are only 70 asset management companies in Japan of various sizes, both of organisation and asset base, it is next to impossible to conduct quantitative research to explore the reality of the industry in Japan at present. As the best information that could be obtained from them is their professional views, this research is more of a proposal of a new hypothesis for enhanced levels of innovation rather than the verification of it. That having been said, in practice, this lack of general applicability is mitigated by the very extensive cumulative experience of the researcher and the six asset management CEOs who participated. The knowledge derived from this research is, nonetheless, believed to be sufficiently challenged, albeit notionally, to make the outcome of this research adequately credible to allow people in the industry to rely on it. It is not necessarily the case that research could provide a secure path to the truth; it is unrealistic to expect that this is the case (Altrichter, Kemmis & McTaggard, 2002).

Given that reality is shaped by the perspective of the recipient as to the accuracy, appropriateness and authenticity, the feedback from the CEOs of the asset management industry is at least very close to the current state of affairs in the industry. The cyclical and data-driven nature of action research is superior to other research methods as it provides opportunities for constant evaluation of method, findings and meaning.

## CHAPTER 8 REFLECTION OF A SCHOLAR-PRACTITIONER

### 8.1 Reflection of a Scholar-Practitioner

I started this thesis project with a very distinct objective: to find the secret formula of success in generating and launching an innovative fund that is well received by the investing public. In the initial thesis proposal, I proposed many factors and background theories needing exploration to understand successful financial innovation as part of the innovation generation mechanism. I was, however, encouraged to articulate the overarching research focus. Obviously, my interest was to find the difference between successful innovative fund launches and unsuccessful ones to enable companies to reduce waste by making the fund idea generation and launch process more effective and successful. Therefore, the focus of the research should have been 'How is a successful fund generated and implemented?'. It explains simply how it happens and what is required to make it happen: what the company should do, what capabilities are required and what kind of structure should be in place to maximise the possibility of the innovative fund idea being successful.

My initial draft thesis had various weaknesses. The research design was quite a challenge in that I planned to take an objective attitude towards the research even when I intended to have interviews with my previous competitors. This approach could have been rather unrealistic. In retrospect, it was rather a naive assumption to have believed I could retain independence and objectivity while I have a degree of prejudice or personal frame of thinking on the issues of financial product innovation. Prejudice was inevitable given I had been a CEO in an asset management company for over 12 years. Even if I was not imbued in the industry and was a complete stranger to the subject matter of the research, there was no guarantee that I could maintain absolute objectivity in carrying out this research, let alone since I was an insider.

My supervisor pointed out that the scope of the study might be considered too diverse, incorporating as it does both the generation of innovation of financial products and their adoption. What I had meant to describe was my sole intention to discover the organic systems or processes that were critical in making a financial product successful. At that time, I did not have any definite idea which route would prevail – the product ideas or the process of adoption (implementation). The critical success factor could have been the creation of innovative ideas; it could have been the strategic adoption of the right ideas; or it could have been the implementation of them. In view of the absence of any prior knowledge of the formula for success, I thought it was

appropriate to widen the scope of the study so that any possible option, whether idea generation or actual dissemination, could be identified. However, the distribution or dissemination side of the issue may not have been the most critical part. My former company launched several successful funds in the past, having dominated the industry at one stage, with just average dissemination capabilities. Thus, my primary area of interest was not on the system of delivery but was on idea generation for a fund and how it emerges in a successful form. To eliminate any possible confusion, I decided to focus on idea generation in my scope of research.

As such, my earlier attempt at this thesis was very much a trial and error process. I did not have any idea what was the key element in enhancing the innovative fund product introduction capabilities of an asset management firm. Initially, I started the analysis by exploring the idea generation mechanism of an individual. Simultaneously, as I read through many of the articles, I started writing a literature review section of the thesis. It took several months to consolidate my idea through various stages of analysis.

In a DBA thesis, actions of some sort, including collaborative, practice-related or expert, are required to manifest the nature of practical action. I had initially thought that actions were needed once I had identified mechanisms which would normally lead to the successful innovation of financial products through the literature review, review of professional publications and interviews with industry professionals. However, there were some problems with this approach, namely the time required and the limitation of the sample. A fund project could fail not because of a failure in the theory but because of some unexpected external factors such as a change in company policy prior to full implementation, budgetary constraints, change in business environment, recession, change in personnel in charge, or insufficiency of resources. Thus, the effectiveness of the solution cannot be determined so easily. Indeed, the identification of the problem is related to the inability or inefficiency of introducing a successful fund product by my own company. However, such a diagnosis should be rectified by finding solutions which can be implemented in action. The recommended action implementation and the results need to be in the action learning cycle to form a DBA thesis.

To verify my proposed observations and proposed solutions, my supervisor suggested that I go back to the originally interviewed CEOs with my action plan drawn from the initial round of interviews. I could then test and invite their feedback via their suggestions and critiques to test the validity and evaluate my plan. This confirmation process would be both efficient and informative. As a result, the action plan, having

been scrutinised, reviewed and suitably revised would have reasonable validity. The attractiveness of this approach is that the time required for the proof of concept is far less than the one based on actual implementation which would take several years to yield results.

The way of using literature in a DBA, unlike with a PhD, is not to identify the limitations or gaps in knowledge but to answer the question or critique the assumption or logical construct that we face in practice. The literature is helpful in leading the DBA researcher into empirical action. The approach could be done in two ways. The first is to have an overview of the issue and the second is to focus on contemporary ideas, e.g. the last 10 years of research development. I would be tempted to focus on contemporary ideas as technological development in finance and other relevant areas has caused innovation to develop far more rapidly and frequently than before. However, as I read and wrote the summary, the image of the design would become clearer as part of the natural development of thought.

During this phase of intensive reading, my interest was on how creativity is formed and how the creativity of individuals could be enhanced. Everything started with definitions of innovation, creativity, invention, novelty, entrepreneurship, originality, productivity and adaptability. Further, relationships of the various factors involved in and relevant to innovation were also examined. Such factors included intelligence, motivation, culture and climate, structure, diversity of teams, and ambidexterity. Amongst these, intrinsic motivation appeared to be the most relevant and important. As a result, as an organisational policy or strategy, it is important that adequate challenge, freedom and organisational support be given while the group should be self-motivated, mutually supportive and process-focussed (Amabile et al., 1996). At the same time, necessary resources and support need to be given to the individual. My interest has expanded to the determinants and moderators of innovation, including organisational characteristics such as entrepreneurial (Mills & Marguiles, 1980), organic (Burns & Stalker, 1961), manufacturing or service (Mendoza, 2015), old or new (Koberg et al., 1996), big or small (Nord & Tucker, 1987), prospective or defensive (Miles & Snow, 1978), analytical or reactive (Miles & Snow, 1978), administrative or technical (Daft, 1978), incremental innovation or architectural (Tidd, 1995), or simple or complex (Rogers & Shemaker, 1971). As a parallel exercise, types of innovation, i.e. transformational, radical, disruptive, discontinuous, transitional, normal and incremental, were all examined. It became clear, as Christensen (1997) denotes, that existing leading companies tend to focus on incremental innovation while newcomers

would consider disruptive innovation to change the whole industry structure. None of these approaches, however, satisfied my intellectual interest, as the approaches appeared to be a little too static. I would have thought that a more dynamic model should exist for a company to behave in a more effective and responsive way in response to external stimuli. The first thing I thought interesting was the cognitive model approach (Nightingale, 1998). In short, he recommended to treat knowledge as a capacity embodied in the brain and embedded in socialised practices using a pattern. This was the start of an action element embedded in the theory. Moreover, cognitive theory stressed the importance of challenging the cognitive frame of individuals for innovation to take place. Thus, it was recommended that an organisation should establish a climate to constantly challenge the existing cognitive frameworks. In studying these theories, I had a very small clue how to tackle the actionable issue of enhancing company innovativeness.

As my understanding of innovation was becoming deeper, I was more eager to have an overarching solution such as dynamic capabilities, and thus I was interested in the Teece et al. (1997) theory of dynamic capabilities. To my disappointment, as Kraatz and Zajac (2001) point out, whilst the concept of dynamic capabilities is appealing, it is rather vague and elusive, and thus far has proven largely resistant to empirical observation and measurement.

After the above process in finding the panacea to enhance innovation capabilities, I found absorptive capacity (ABS CAP) was the key to my solution. ABS CAP is theoretically quite extensively studied, well grounded and not ambiguous like dynamic capabilities theory (Teece et al., 1997). In view of the above, I decided to take ABS CAP as a tool to approach the management intervention solution to enhance the innovation capabilities of an organisation.

This gradual change in my approach was done only on the advice of my supervisor Dr Paul Ellwood, who was very succinct. He did not hesitate to express his views on my approaches, not by criticising them but by offering some new ideas and advice to help me stay on the right track. Through Skype conversations with my supervisor, I was made aware that involvement of grounded theory is not a requirement in carrying out research on innovation. I was encouraged to reflect upon the possible self-contradiction of being an insider and being an objective researcher. It may be true that trying to do an objective research project with grounded theory and the fact that I was CEO of an asset management company did not go well together. The advantage of a

pure grounded theory approach is that anybody, even without the knowledge of the issue, could discover theories governing innovation from the perspectives of causation and results. This is a pure form of research in the domain of a PhD. However, the research design for a DBA thesis could be different, allowing for consideration of the insider-researcher element and the requirement for action. Suppose I could be truly successful in establishing objectivity in substance in the research process, there still remains a question in its form or appearance in securing objectivity. The burden of proof would be on me, which is hard to establish. Instead, as my supervisor suggested, I can take full advantage of the knowledge and experiences that I have accumulated for the analysis and interpretation of the observations or interviews rather than throwing that all away in an attempt to pursue the pure objective research as an independent party. The insights based in my own experiences and interactions would be key to increasing the validity of the analysis itself. The qualitative research methodology could be similar to one for grounded theory where reasonable rigidity and rigour should be maintained to secure credibility, transferability, dependability and confirmability.

I initially intended to adopt a post-positivist paradigm, with post-positivist ontology and relativist epistemology. This would become inadequate if the pure grounded theory approach is deemed impossible. Given my position as an insider-researcher, my philosophical position for my thesis would be the critical realism of ontology, and interpretivism as epistemology. Critical realism implies the need for rigour, precision and logical reasoning supported by evidence.

Thanks to this change, my literature review was completed to my satisfaction. However, the next challenge was conducting interviews. I believe the most important point in conducting a qualitative interview is that researchers retain objectivity. In this regard, the attempts made by Corbin and Strauss (1990) to break the dialogue into the style of property and dimension is quite logical. In Japan, we are lucky to have Shigeko Saiki-Craighill, professor at Keio University, who used to be an assistant to Strauss and who was taught the actual process to conduct the grounded theory approach by Strauss himself. Her papers have helped me understand the otherwise very vague framework of grounded theory as a very practical application. I decided to incorporate the property and dimension part into my research process as I believed it could bode well with the qualitative analysis framework offered by Gioia (2013). Therefore, I decided to add the property and dimension aspect of grounded theory (Strauss & Corbin, 1990) to the approach by Gioia (2013) to identify and categorise interview dialogue as concepts, themes and aggregated dimensions. The data analysis was like

a shot in the dark and I did not know what would be the outcome of the analysis. In the end, to my grief, it turned out to be rather logical solutions and not extremely divergent from the earlier expected outcome.

Obviously, there was a worry that having been a CEO of an asset management company, my insider knowledge may be prejudicial to this process. That said, the advantage I have is a deep understanding of the thoughts of elite CEOs and the ability to share and exchange views and ideas; this benefit far outweighed any damage. In other words, my research is based on assessments of what I have been told by the elite CEOs. The assessment could be rather subjective (although I am fully aware that my subjective judgment could distort the truth that otherwise could have been different). My overall conclusion, however, is that my past knowledge and experiences would not only enhance the quality of my understanding of what is said and meant by the CEOs but would allow for a candid exchange of views with them to better understand their reality.

The interviews themselves were extremely enjoyable. Now that I am a professor at Hosei University and have nothing to do with any asset management business, all the CEOs were very happy to express their views. I appreciated their honesty, intelligence and very impressive remarks. It was a surprise to me that many CEOs expressed surprise at some of the outcomes of my research although they accept that they should always have been something of which they were aware. There were many issues that are subconsciously held deep in their mind in day-to-day business, but at least at one stage in their lives, they came across situations where the reported solutions were required. In other words, they are unconsciously aware of the various problems or opportunities but had never considered those deeply enough. I am glad that the outcomes reported were considered reasonably realistic and I am also very glad that they appreciated the outcome and promised to make use of the results to enhance their efficiency in producing new fund products.

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## **APPENDIX A - Coding Spreadsheets**

The thematic analysis of the interview of the CEO of Independent Asset Management company B is fully shown in the following screenshots from the Excel spreadsheet used to manage the analysis. Analysis is done in the following steps:

### **(First step)**

- 1. Write down the exact script in Japanese.**
- 2. Break the script into 'Property' and 'Dimension' and translate them into English**
- 3. Example of this breakdown is as follows:**

Original script: "Oh! This red flower is beautiful!"

Then, this script is broken down into

Property: The color of the flower.

Dimension: Red

Property: Impression of the flower

Dimension: Beautiful

- 4. Then this whole script is labeled.**

**"Found a beautiful flower during the flower arrangement class."**

- 5. All these are categorized into  
"Flower arrangement" category**

### **(Second step)**

**All six interviews are analysed as is shown in the First Step and all are mixed together and sorted by categories.**

### **(Third step)**

**Find out causal relationship amongst categories**

**One category can be a 'Cause'**

**Another category can be an 'Action'**

**and another can be a 'Consequence'**

**All the properties and dimensions are analysed in relation to the established causal relationship. This causal relationship is defined in a word or a theme, to signify the logic of the relationship.**

1001	どういことな安売りを商品を作りになっておられるのですか、誰が売ってどういう形で作り上げておられるのですか。					
1002	まず二人の専任は役員会なんですか、専任の役員会が現在役員会をやっておられます。				Product development is involved	
1003	私は今はチーム向けの投資の職業がメインの仕事ではありますがそういう背景があるので今は二人で参加させて頂いておられます。元々専任は役員会なんです。	retail business	main	Retail business operation is also important		
1004	独立系の会社がどうやら自らも出てくるのかという人な風流とかで自立していない。	need to attract customer attention	should be high	Independent companies have challenges in being a strong player	Need for strong brand as an asset manager	
1005	それを新しい発想でというのがあります。元々は自社の準備でこうやってアルファを取れるかなというところからスタートしてなんですが、2000年に入ってこのリスクの分散という本意からの観点からリスクの分散って結構状況が切り離されたリスクは向なのかなというところから、そういう観点から一歩進捗に付いたファンドとかマーケットボンドファンドというものです。	acceptable risk	irrelevant to economy	Originally created for higher performance has been changed to diversify and reduce risks	Attention to risk diversification	
1006	それはいわゆる両利点を両利点を定したものです。ということなので建設が重要かどうかがテーマシフトでいうのが全然無くなって、建設は無駄な一歩進捗があるということもリスクはあっても建設との関係はゼロだという商品になります。	insurance product	no relevance to economy	Catena Fund is securitization of insurance as risk relevance to the real economy	Attention to risk diversification	
1007	本意からの観点から言うと、マーケットが変化して来ると、本意も本意かどうかなにかよって来ていてこれは全然無関係なという観点から新しい発想でやったという感じになります。	Catena fund idea	new	uncorrelated risk products with economy	Attention to risk diversification	
1008	我々としては事実としてはいくつか、ホルダーの観点に向けてどうい商品が売れるかということも進捗を上げていくのがマーケットボンドファンドです。	customers of Catena fund	wholesale	wholesale customers were initial target	Liberal and challenging diversified culture not pursuing immediate profits	
1009	それから色々売れなくてはいけなかったら、アルファで進捗ファンドというのがあります。で実際には進捗ファンドで自前で出来なかったのですが、ユーロアシアシニアセクターとか海外アフリカで進んでそれを海外でできないかということも色々研究しました。	forest fund	existed in US	Searching for new ideas overseas. Forest fund was found	Attention to risk diversification	
1010	私もマーケット、バリエーションで行って色々研究をしていまして、まあ元々の設計に変わりましたが、そういう種別をライオンズを比較的自由にできる風土があると当時の社長は大概というものでしたが本当に割になるのかと変わらないうえに売れなくてはいけなかったら、バリエーションの売れ残りがありませんかというところから、元々自由なテーマの売れ残りがありませんか。	corporate culture	free & challenging	Fund was exploratory research topic was admitted	Liberal and challenging diversified culture not pursuing immediate profits	
1011	そういう自由な設計ができました。元々進捗ファンドについては年利収入が、半年後の戻り金の中央値がわからないのが本意かというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	degree of freedom	very high	Liberal culture	Liberal and challenging diversified culture not pursuing immediate profits	
1012	まあ元々自由な設計ができました。元々進捗ファンドについては年利収入が、半年後の戻り金の中央値がわからないのが本意かというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	price fixing of pulp	difficult	Unpredictable future price was a concern	Attention to risk diversification	
1013	その進捗の戻り金の中央値がわからないのが本意かというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	energy fund	product of trial and error	seller energy was to explore uncorrelated risks	Attention to risk diversification	
1014	本意からの観点から言うと、マーケットが変化して来ると、本意も本意かどうかなにかよって来ていてこれは全然無関係なという観点から新しい発想でやったという感じになります。	direction	wholesale expertise to retail	application of wholesale expertise to retail	Direction of product strategy	
1015	一歩進捗に大失敗したのが、1990年に投資顧問から投資事業に参入したときに、当時進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	past failure	Topic = 3% fund relaunched for retail	application of wholesale success to retail did not work	Understand the difference between wholesale business and retail business	
1016	当時進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Topic = 3% fund relaunched for retail	could not sell	Even wholesale best seller fund could not sell in retail	Understand the difference between wholesale business and retail business	
1017	今でも売れなくてはいけなかったら、バリエーションの売れ残りがありませんかというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	challenge	conversion of wholesale expertise to retail	challenge is to convert wholesale expertise to retail	Challenge in converting wholesale know-how into retail products	
1018	結構うまくいくように進捗して、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	10 years results recent 5 years	unsuccessful bearing fruit	The challenge to convert wholesale expertise to retail was unsuccessful for 10 years before allowing bearing fruit in the last 5 years.	Challenge in converting wholesale know-how into retail products	
1019	まあ元々自由な設計ができました。元々進捗ファンドについては年利収入が、半年後の戻り金の中央値がわからないのが本意かというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	degree of demand for results challenging spirit	low high	Culture not to demand immediate profits	Liberal and challenging diversified culture not pursuing immediate profits	
1020	元々進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	similarity in culture between retail & wholesale	low	Perseus management and retail business offer in philosophy	Understand the difference between wholesale business and retail business	
1021	今でも売れなくてはいけなかったら、バリエーションの売れ残りがありませんかというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Japan FC fund memorable impression	high	An interesting Japan FC Fund	Retail success despite deviation from wholesale norms	
1022	これは日本の企業だけの仕組みですと、当時進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Similar foreign funds monthly distribution type	many	Japan FC fund was unique	Retail success despite deviation from wholesale norms	
1023	これは進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	First personal response to the fund resistance to the idea	valuable high	Japan FC fund was rejected by fund management team (wholesale)	Retail success despite deviation from wholesale norms	
1024	あーそういう良方があるんだ、でも進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Distributors' opinion	interesting	Japan FC fund was well received by distributors	Retail success despite deviation from wholesale norms	
1025	分りやすい向、これだけのこと、評判はいいところから進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Gap in opinion between distributors and fund managers	very large	Japan FC fund was scored by fund management team (wholesale)	Retail success despite deviation from wholesale norms	
1026	でも進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Degree of success attention to diversification by wholesale fund managers	Highly successful Very high	Japan FC fund was highly successful	Retail success despite deviation from wholesale norms	
1027	個人の観点からすると自分の持っている100の資産の2とか3を投資顧問に投資させて、あとは自分で進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Broader perspective considering the actual portfolio of individuals	Diversification is meaningless	Meaningless risk diversification given just 2-3% of financial assets is given	Retail success despite deviation from wholesale norms	
1028	元々進捗を評価する指標がなかったというところから、元々自由な設計ができました。元々自由な設計ができました。元々自由な設計ができました。	Degree of success of wholesale star funds by retail	Low	Even wholesale best seller fund could not sell in retail	Retail unsuccessful despite success in wholesale	



1025	とその後輩は東証三優ファンドというのを出したんです。このお3組に事件をおく会社というアイデアを持っていた時にファンドマネージャーとした彼たちは一体何を考えたらいいんだ、東証三優が稼いだらどうするんだ、リスクからするとユニバーサルが強いのが絶対に強がるはずだとそれをわがままが強中投資をしいてはげすがないと、日本だけに絞ると世界から注目を集めるとそれユニバーサルが強いが絶対いいという両者の発想があるわけですが実は東証三優ファンドというのも実はものすごく売れたんです。	Degree of diversification effectiveness of Tokai 3 prefecture fund Degree of familiarity of Tokai 3 prefecture fund Degree of success of the Tokai 3 prefecture fund	Very low Very high Very successful	Tokai 3 Prefecture fund, although the potential risk diversification can capture well in retail	Understand the difference between wholesale business and retail business
1026	戻って、現象はもともと特約のものをやらないでチャールズはどのようにしたら分かりますかというところに集約すればいいということに気がついたので東証三優ファンドだったわけ。	New finding		New discovery - A focus on exploratory power is key to success in retail	Understand the difference between wholesale business and retail business
1027	2000年代前半の頃はそれだけでも言うって地味なところで投資の経験にいいんですけど、ごみなしゴッチというんですかねどうやってうまくいっているのかという中でやはり野村證券さんに行くときは野村アセットさんは間違いなく関係性まででくるので、競って行くときはなかなか売れませんが、ナイトというところは海外それはホールセールで特約した投資みたいなものを金銭に押し出して行く必要があるという感じにしています。	Kind of weapon to compete in retail	wholesale expertise	Need for weapon to compete with group / lead asset managers	Understand the difference between wholesale business and retail business
1028	今の二つの話と東証は本質に我々にはアスカルチャーターなんです。これダイバーシティが濃いです。	degree of cultural mix	high	Highly mixed culture	Liberal and challenging diversified culture not pursuing immediate profit
1029	東京海上の名前が出てくると東京海上の売却は9%しかありません、ほとんどが中流株主と買いかねるところから来た人たちをわけです。	degree of uniformity	low	Employees aren't by parents are just 8%	Liberal and challenging diversified culture not pursuing immediate profit
1030	戻ってのチャーターはだれでも人なかりなことをやっているといるところで何が生まれるかという話になっているという事です。それが向社の特長だと思います。	degree of individualism	high	Everybody is independent and doing one's own thing	Liberal and challenging diversified culture not pursuing immediate profit
1031	もう一歩はもともと色々な会社が投資顧問から投資の方に移ったわけですがそれにそれらに行きましてしてしまおうかと思うし、けれども向社はその中で投資顧問の色がかなり残っている感じが強いという風に思っています。	management dedication toward retail	should be well balanced	The wholesale culture still remains rather strongly	Liberal and challenging diversified culture not pursuing immediate profit
1032	物の会社でいって、みんな投資顧問の方が高として投資の方に転身をしてるというのを先週でなければ、僕々のかかわり見れば投資顧問のほうというところと買いかね、新しいものが生まれやすい土壌があるって、それを台座する文化があったのかということも思っています。	Tokio uniqueness to whole institutional business	Unique	reason for the success was the wholistic expertise to create new products and culture to foster it	Liberal and challenging diversified culture not pursuing immediate profit
1033	今はもう10年前とはかなり雰囲気は違います。どこかの会社を見ててもどうしても自かつたところはもう全然投資だけに落ちてやっているとあまりそれらの方に委ねたときもこれらも物が多くてよくないということがありますし、そういう意味ではある程度バランスをとれることは必要だと思います。	requirements for balanced business between wholesale and retail	high	Many companies opt for retail business	Asset manager's strategic focus on retail business
1034	投資ビジネスでは言葉で言うところの強固な契約のないいごみなしゴッチのアイデアの方が世の中にはかかるといえます。そういう意味ではいい商品さえあれば入れる余地は前よりは広がって来ているので、流れも変わってきているように思っています。	degree that innovative products is accepted by customers	getting higher	Good and innovative products could be well received by retail customers	Good fund products can sell
1035	アイデアのソースってのは海軍のサイドとそれから商品企画側と双方あります。海軍本部というのは自分たちがやるところで色々なアイデアを出してくるんですけど自分たちがカバーしてない世界では新しいアイデアは全く出てこないです。	source of creativity by fund managers	creative as extension of their current fund management	Source of ideas is from fund managers as well as sales team	Source of fund products ideas
1040	そういうものはその商品部の方が積極的に考えていないといけません、また例えば海外での旅行ものなどというものはやはり商品部がしっかりと認識をしながらかねを募集していかないといけないということがありまして、それから新しい企画も出てくるとはやはり商品部がリードしていかないといけないという感じになります。	source of entirely new fund ideas	from product development team	source of entirely new fund ideas are from product development team	Source of fund products ideas
1041	言葉も聞いているのは分かりますが見えてきているものもこう募集しようとするので、本質に新しいものは商品部からでるのかなと思います。	kind of ideas recommendations by sales team	apparent customer demand	Sales team convey retail investors' demand	Source of fund products ideas
1042	この色に入ってくる年々のお客さん企業法人のお客さんそれから海外のお客さんと色々お客さんがいるんですが投資の目まかせ全然違うんです。	Difference in investment horizon between wholesale and retail	High (Long in wholesale, short in retail)	Variety of investment horizon by wholesale and retail customers	Understand the difference between wholesale business and retail business
1043	チャールズの場合はほとんど日々の販売に近いんですが、年々とか企業法人の場合は極めて長い5年10年持たせると、つまり流動性とかは考えずにいろんなものに興味を持ってキャッシュフローを生み出す商品を販売すれば儲かるんじゃないかという風なスタートで商品ファンドみたいなものを販売したり、いろいろな話で太陽光発電をやったりそれをファンドにできるかできないのかで色々研究していくというふうなことをやって継続したらいかなこともあったわけ。	Difference in investment horizon between wholesale and retail	High (Long in wholesale, short in retail)	Variety of investment horizon by wholesale and retail customers	Understand the difference between wholesale business and retail business
1044	いろんな経験をもたせてもらっています。お客様がチャンセルが低いので色々なものをこれにここに入れてみるとかこれにこの客層に向けてはまるんじゃないかとか選択肢が多いのがすごく有利な点であるというように考えます。	Degree of challenge of product development	High	Innovating application of successful ideas from wholesale to retail and vice versa	Challenge in converting wholesale know-how into retail products
1045	企画部門にいたる言っているのは色々なバリエーションがあって色々な考え方がチャンセルにはめられるとかがあります。今の話だとツールというのとはもともと企画部ではないわけですね。	Degree of happen in product planning	high	Innovating application of successful ideas from wholesale to retail and vice versa	Challenge in converting wholesale know-how into retail products
1046	それらを標準化するというのが今回でるのでそういう意味では投資対象がはるかに色々な物もキャッシュフローを生むものであれば、できるかなという募集は今出でてきているということがあるかと思いますが、興味は広がっていると思います。	challenge to convert cash flow generating objects into fund products	Exciting	Cash flow generating activities could be source of new fund	Challenge in converting wholesale know-how into retail products
1047	交渉相手は経営者の依頼であったり取締役定員委員の依頼であったり色々ありますので結構いろいろこれを2年間やってようやくできたものではないです。	Degree of labour put into product generation Time length elaborated on product generation	High Long	Over a efforts to have a fund idea materialized	Challenge in converting wholesale know-how into retail products
1048	人材はどこからという観点からは別の経験もない人たちが初めてのことなんです、素人さん多いということができる人が少ないです。	Degree of past knowledge to learn to create a product	None	Human resources is to learn for generating new fund products	Challenge in converting wholesale know-how into retail products
1049	それらを知るながらこれは三井物産のこの人に聞いてと色々電線の方まじというところからそういう細かいことを確認しながら商品を作っていくということをやらないといけないわけですね。	Who helped in the process	Outside professionals e.g. General Trading company	Borrow expertise from outside GTC	Challenge in converting wholesale know-how into retail products
1050	今それらそういう経験からものを投資対象にするというノウハウはかなり積み上げてきたという風に思っています。やはりコーディネーション力ですね。	Level of know-how accumulated What the expertise is required	High Ability to coordinate	Coordination ability is key to success	Challenge in converting wholesale know-how into retail products
1051	知識はそれだけの色々今持っている人を使えばいいわけですから、キャッシュフローをどうやって投資商品にするのかというのをもう何層も契約書を読みながら契約書を作っていくってできないわけですから、これは大変だとは思っています。	Level of difficulty in generating new products Examples	Very high Creating new contracts	Generating new products is contractually difficult	Challenge in converting wholesale know-how into retail products

1052	コアには日本株の運用のエクスパティーズがあったんです。	What was in the core	Fundamentally from expertise in managing Japanese equities	The core contribution came from Japanese equity management expertise	Challenge in converting wholesale know-how into retail products
1053	世間の中良い時と悪い時もありますけど相対的にずっといいパフォーマンスを出していたっていうのがそれがまあ元々運用会社としてのクレディビリティと言うかそういうものの背景があって、それに色んなものも集まってきたという風な形で会社としてのエネルギーも溜ったんじゃないかなと思います。	Chance of creating brand through consistent good performance	Difficult	The company has delivered relatively good performance	Need for strong brand as an asset manager
1054	ヒットしてないファンドもたくさんありますからあれはどうしてですか全体のためには悪くはアワードじゃないと経済合理性が合わないものについてはアワードしていくと費用が必要ですが、どうしても販社がうんと買わないとできないですから、そこは問題ですね。サテンドスはできないので、ファンドの帰属によっては経済サイクルに応じて自己ファンドになってくるものもありますから2015年ごろに一回整理をして、5年後にこのファンドはアワードしますという風に判断したファンドが17-8ファンドはあります。	Retention of death stars in closing small funds	High	Unsuccessful funds	Difficulty in closing small funds
1055	2020年ぐらいだと科目ごとの整理ができるんじゃないかというふうに考えてます。	Expired claim for closing annual funds	year 2020	Part of unsuccessful funds to be eliminated in 2020	Difficulty in closing small funds
1056	投資家からすると残高少ないのはその投資家の責任でも何でもないのでもアワードしないといけないというふうになりますから、それは一つ問題があるというふうに考えています。	Degree of problem in closing funds from investor perspective	High since they are not soluble	Difficulty in closing small funds	Difficulty in closing small funds
1057	売れる中でファンドでつくるんですがその中で何社も打撃が高い方ではないかという風には思っています。	Degree of hit product ratio	High	We have better product hit ratio than competitors	Distributions are not helpful
1058	販売会社があると販売会社がこれがいって買って作れるというのがたくさんあるじゃないですか。	Existence of cases where distributors request to create a fund	Yes	Request by distributors for a new fund	Distributions are not helpful
1059	それを作ったら全然売れないということがあるんですよ。	Cases despite distributor they do not sell at all	sometimes	Requested distributors do not necessarily sell well	Distributions are not helpful
1060	だからどうなのを見越して毎年にこの販売会社が売ると言ってるのを控えていられないからというところとアワードを要する観点から検討しながら、その是非を判断するというところを思っています。	Requirement for accurate evaluation of distributor's contribution	High	Need to evaluate distributor's capability	Distributions are not helpful
1061	それで額と勝算は高くなっていると思ってるんですよ。他の運用会社に比べて。	Accuracy of evaluation of the company	Relatively high	Our product hit ratio is high	Distributions are not helpful
1062	ファンドの運用はどうあるかってのまっさらな問題もあるし、日本のファンド数は8000を超えてるということもあって結構合理性からするとちょっと無理がよれるところもあります。これから考えないといけないのはビジネス全体でもう少しコスト効果を考えていかないといけない。	Requirement to close small funds from profitability and efficiency perspective	High	Need to close a small fund	Strategic focus wholesale vs retail
1063	お客さんに還元できるようなところは投資顧問ではなかなかのちやっちゃんを資料を出さまであって、それがものすごく負担になっているんです。そういうのがすごくこのことになっていて、なかつ投資顧問のビジネスの方が収益的に伸びていって、なるほどたが何社の場合も投資顧問の比率が高いということになります。	Requirement by major customers in the wholesale business	Excessive and extremely burdensome	Excessive requirement by wholesale major customers	Strategic focus wholesale vs retail
1064	どの企業でもどちらかと言うと投資経営者の方になってくるということに何社かのところになってきますよ。	Escape from wholesale to retail	Yes there is a tendency	Tendency to focus on retail rather than wholesale	Strategic focus wholesale vs retail
1065	銀天の年金100兆円もあって運用会社を募集するじゃないですか、それで運用会社と運用会社を引いてビジネスをやるというスタイルってのは競争を育てるといって儲めが全然ないのがやはり問題があるんだらうというふうに考えてます。	The problem in raising asset management companies is competition by everybody compete in costs	There is a problem	Problem both side of large wholesale customers	Strategic focus wholesale vs retail
1066	もう少し関係張って考えていかないと投資顧問は買っていないというところはあると思います。一方では日本を国際金融市場にしてという考え方があってそれからそれをそれでいいんだけど国内でということをやって一番大きな市場を出して運用投資顧問の一番大きいお客さんからは外資系がもう皆さん進出してきてますよ。	Trend of Focusing asset management via large wholesale customers	They exit from the business	Wholesale business not profitable	Strategic focus wholesale vs retail
1067	そういうことを結構強めておこなうというところと何社も問題があるという風には考えられないと思います。不合理的な買取りはしないだけだと、合理的な買取りは必要だとするようにならないといけないと思います。	Degree that adequate profit is retained by asset management companies in the wholesale business	Fair to low	Implication to retain adequate profit for wholesale	Strategic focus wholesale vs retail
1068	報酬として認識するのはお客さんから見たら運用会社が買えないんですよ。これが問題なんですけどこの販売会社を売るとなるとファンドという認識はないけどこの運用会社のものをやるとする考え方はデジタル時代にはないんです。	Degree that investor identify asset management companies	Very low	Need for asset management company brand	Need for strong brand as an asset manager
1069	例えば4社共同の預金があったグループも販売会社とグループの名前はあったけれど、別業投資の名前を知っている投資家はほとんどいなかった。	Degree that ultimate individual investors know the name of the asset manager of the best-selling fund	Low	Even Kakuzai Asset Management was not brand ed despite Global Sovereign fund's phenomenal success	Need for strong brand as an asset manager
1070	ブランドインゴットでどういう風にするかということなんですけど、これから絶対やらないといけないのがそういうブランドインゴットの領域であろうというふうに考えます。	Need for establishing an asset manager brand	High	Absolute need for brand by asset management company	Need for strong brand as an asset manager
1071	ただ構造的には販売会社の方がファンドを託がしてパフォーマンスをどんどん悪くしてきますからなかなかブランドをつくるってのは簡単ではないだろうという風には思っています。	Difficulty in establishing an asset manager brand	Distributions' cheating destroy the performance track record	Distributors cannot be helpful for asset management company in creating a brand	Need for strong brand as an asset manager
1072	主力はまだ対面ですねネット直販は今のところ考えません。チャンネル競争ではなくてお客さんを集めるかどうかがいうところにはまだあるからということですね。	Chance of considering direct sale to individual investors	Low	Direct sale is not in sight	Need for strong brand as an asset manager
1073	顧客サイドから見たら運用会社に口座をつくることはあまりメリットはないんですよ。余計に口座を作るメリットがない、営業サイドから行くネット証券例え5000ファンドある8000証券を持った方が顧客の苦からは別業は良いということになります。それで例えばソーシャルストアのようにソーシャルの商品しか買っていくせんといいところに行くかということになるとこれは一つ問題があるんじゃないかという風には思っています。	Merit that individuals get by having an account directly with asset manager	Low	There is no advantage for individual customers to have accounts with asset managers	Need for strong brand as an asset manager
1074	その中で東京海上アセットというブランドという風に育むにはどうすればいいかということには常に課題です。違う角度でのブランドアイデンティティを作りたいかという風には思っています。	How to create a brand	Establishing an identity from a different angle than performance	The direction of brand identity	Need for strong brand as an asset manager
1075	東京海上アセットとしてのイメージを持っていただきたいという風には思っています。イメージとしては東京海上アセットといえは新しいものを作っているという会社だと、そういう風に投資家が認識してくれればありがたいなと思います。	Image to be established	A creative asset management coming up unique products	Strategic direction for branding	Need for strong brand as an asset manager
1076	先例は野村アセットのイメージは野村證券のイメージだし大和と同じだと思えます。そういう運用会社としてのイメージを持ってもらえようという風に思っています。	Asset manager's image entirely different from parent	Needed	Strategic direction for branding is different from financial group asset managers	Need for strong brand as an asset manager
1077	金融の市場からすると新規の新しい商品はあの会社が出すというイメージを意図していきたいという風には思っています。規模が大きくなるかそれは難しいので、我々でいろいろの規模であるとか創設的になれるんじゃないかというふうに考えてます。	Degree that size benefits innovation	Low	Willingness to be noted for innovative fund creator	Need for strong brand as an asset manager

1076	差別がよすへたっていろいろにもありますから簡単ではないという風に思っています。	Chance that good performance business a brand	Low	Fund performance can't be a brand	Need for strong brand as an asset manager
1077	今も変わってきて物価が入って来ますし、景気はアマゾンでしょうけれども、そういう風になったときにチャンネルとブランドの関係がどうなるかちょっとまだよく見えないうかがいみんな物価でスーパーとか電話会社とか投資業界に入っていますか、苦々しく思っているのは誰でもかと思ってるんだと、投資業界の難関に入ってくるのは、大抵みんな失敗するわけですけども簡単にはできるんだというように考えられていると、既存の運用会社に付加価値を認めていないところがちょっと苦々しく思っています。	Degree of difficulty perceived by distributors in conducting asset management	Very low	Enthusia from other industries are so frequent	Need for strong brand as an asset manager
1080	あの人はやはり自分たちでちょっと形を作って自分たちで利益をあげるという風な考え方を持ってるということだろうと思えますね、外でとられる費用を自分のグループで全部取り込むということに焦点を有てるということになります。	Incentive of distributors establishing asset management subsidiary	Remaining profit within a group	Other industry players consider it easy to establish asset managers	Need for strong brand as an asset manager
1081	ほとんどの物販大手の投資会社は会社の体をしてないわけですけどもそれがまた社会的な投資会社に対するイメージなんだろうという風に思っています。このプランニングをやらないう時代が来た時に高橋さんの方が変わった時にそういうものがないとかなりしん、いだろうというように考えます。	Requirement for brand	Not now, but will be necessary in future when perception of investors will have been changed	They are in fact not working at all	Need for strong brand as an asset manager
1082	野村もネットチャンネルを何回作って何回失敗してるかということも考えれば決して簡単ではないだろうという風には思っています。	Existence of direct sales	Extremely difficult	Direct sale is difficult even for Nomura	Need for strong brand as an asset manager
1083	東京海上の保険の販売の際にその償いアセットをマッチングさせて商品を売ってもらおうということはあるのでしょうか？ 親会社が親の型で東京海上アセットの商品をマッチングでやって来た2008年からずっと2010年を超えたところまで行って来たんだけれどももうまいかかたので今は断念してるといふところですか。ファンドマネージャーとして代理店さんと話す際に東京海上が認めない限りあなた自身がやった時には私が払いますよというように売り方をする保険会社が急に投資商品を持っていてあなたがリスクを取るんですよという説明をするのは極めて難しいというこれはチャンネルのコンフリクトと言ふか難しさがあります。	Using parent company as asset distributor	unsuccessful due to difference in culture and customer perception	Parent insurance company can't be active distributor	Need for strong brand as an asset manager
1084	お客さんの信頼を築くという商品を買って売ってこれというところをお願いますので簡単ではないということがありました。結果としてうまくいかなかったですそこを維持するより変換保険としていろんな機関をついての中の中身は東京海上アセットがやっているといる方が自然だという形ですね、全然もやらない保険系みんな損はやっていない、やったけどうまくいかなかったというのが結論であらうという風には思っています。	cultural difference between insurance company and asset management company	very large	Parent insurance company can't be active distributor	Need for strong brand as an asset manager
1085	概念として保険会社には預かりしたいという概念という概念がないです基本的には東京海上に預けられたお金は預り金として預かってそこから色々な商品は買えますよというスキームを作ろうと思っただけですが、その預り金という概念そのもの自体がないので極めて難しいということになりました。MRFを作るとそこに預り金でもらえよということをやったんですけども保険の保有者はそれが全く理解できないわけですよ。	Existence of account	none for insurance company	There is no concept as MRF for insurance companies	Need for strong brand as an asset manager
1086	一見外にお金が出て行ってしまってもまたそれは戻ってくるんだというように考えてるんです。実際はそうではないんですが東京海上はDCはやってるんですがそれは外についてはそれは適合するんですが外国人有たは東京海上には本店の販売ルートがあるんだらうという事しい理解がありましたけれども、ほとんど冗談ですね。	Requirement for a pooled fund	none for insurance company	customer perception is different between insurance company and asset manager	Need for strong brand as an asset manager

Consolidation of all the interview data sorted by each category is shown as per below

	Text	property	dimension	First order themes label	First level category Category
6002	それぞれがニーズとか目線が違うので特に個別に対応しようとすると非常に商品の数が増えていってそれはまあ昔はあったんですけども今の仕事になってから入社して約5年なんですけどだんだんまあそこそこを集約していこうということによって今ではかなりの数が後半でまあ一つのファンドに複数の販売会社が販売をしているという形で安定しているという形に変わってきたような気がします	Variety of distributor needs The efforts to cope with each Length of experience Number of fund management Results of efforts	Vary result in higher number of funds 5 years consolidate AMAP Many distributors for each fund	Distributor control	Advantage of having many distributors
6003	販社さん入る時にもタイミングもずれますからそうすると買い付ける販社さんのタイミングも時間的に分散するので売りたいときはまた別のお客さんが買うという感じで安定したファンド運用の感じになるということだんだん良くなってきてる気がします	Timing of new distributor joining Result of sporadic joining Result of lagged purchase	Sporadic Purchase timing is lagged Total balance will become stable	New distributor effect	Advantage of having many distributors
6004	やっぱり一販社さんのニーズがばらけるということは相変わらず残ってますけれども最近是我々の方からアイデアをぶつけてコアとなる販社さん特に <b>最初の販社さん</b> がかなり <b>商品開発の部分でインターアクティブに行って戦略を固めていく</b> みゆのはありますですね。	Nature of needs of distributors Partner identified Actions of first distributor	Vary First core distributor to whom idea has been presented Jointly interactively develop fund together	Role of first core distributor	Advantage of having many distributors
2004	ずっと日本の投信について疑問に思ってきた点がありましてそのひとつはブランド品がないということで 野村のような大手でも 私の当初の目標はポッキーになることです。	Japanese investment trust CEO's objective	no brand to create a small but known brand	There is no investment trust brand in Japan, and CEO's aim is to establish one	Barnding - general
2005	ブランドの投信がないと野村に行っても日本株ファンドで野村の本来は中核になる商品じゃないですかつ製品も良く、成績も良かった時があるのですが10年20年30年続いているブランドファンドってないんですね	Existence of Nomura brand in Japan	There is no Nomura Japanese equity brand	Even Nomura does not have a brand	Barnding - general
2006	例えばイデリティとかキャピタルとかロバートフレミングとかそういう会社にはそういうファンドがあるわけです。	In the US, nature and extent of brands.	Fidelity, Capital and Robert Fleming	US has asset management brands while Japan does not	Barnding - general
2007	なぜブランド品ないですかねと投信計70兆円あるなかでこれに対して食品で10兆円なんですよ。	Nature of impression that for the 70trillion industry there is no brand. In the snack industry with 10 trillion, there are quite a few brand	Strange	Size of industry cannot be reason for not having any brand	Barnding - general
2008	投信にはブランド品はない訳です。食品ってカールとかきのこの山とかポッキーとかありますね。例えばポッキーって言う認識率は100%じゃないですか。知らない人はいない。悪いイメージはないですね。ポッキーと言ったら おめえポッキーといったな、親の敵だということはないわかんないイメージを持ってるところはブランドだと思ってるんですね。	In the snack industry, there are brands Pocky's recognition ratio Image of Pocky	Carl Mushroom Mountain & Pocky. Almost 100% Soft and nice image	Nature of snack industry brand	Barnding - general
2009	投信は七十兆もある市場なのにブランド品はないですね。なぜなのでしょうかということと周りの人に聞いていたんですけど。明確な回答がなくていやいやブランド品なんか作って、ずっと思い出を持たれたらずっと持たれちゃうじゃないか。ずっともたれたら売却してくれないから回転できないではないか。そしたら儲からないうでしよう。長期的にみると持ってもらった方が積み木のように積み上げて無料報酬が増えていいじゃないかという考え方に対してはそれではないとみんな言うわけです。	Views of many people the reason for the absence of brand in AM Degree of requirement for brand Reason for no requirement View of having larger assets for trailer fee	No definite views Negative Cannot recommend to churn the assets for profit Sales fee is much larger than trailer fees	General view why there is no AM brand	Barnding - general
2011	当時、そんな販売がしたいと話をしてみましたが、そもそもそういうことを目指すことがおかしとみんなに言われました。回転売しない、当時は特に回転売が売が悪だという長官もいなかったし、考え方もなかった。その時点で多勢に無勢の世界だったんですね。ただ良いものをより安くそこそこ値段で売ることはいい商売だよという風に言ったんですね。何言ってるんだよとクソみたいな商品を高い値段で売るのが金融だろうと結構マジな顔していう人たちがたくさんいるんですよ。だから我々心を痛めているからその心を痛める保証料として給料が高いんですよと真面目な顔で言う人がたくさんいるわけですよ。大手証券の役員くらすでこのような話をする感じなので、これはありえないと思っていました。	View of others in expressing the ideal AM company At that time, how churning was perceived How AM business was perceived by players	Ridiculed Commonplace An industry selling junk products at an expensive price	Exploration for need for AM brand	Barnding - general
2012	投信会社って言うのと実際に会社として活動している会社は80社ぐらいしかないんですね。会社として成り立っていて、収益力があり永続性がある会社として成り立っている会社はたぶん30社ぐらいしかないということなので深いスーパー寡占市場なわけです。だから何でブランド会社が出てこなかったのかという根本的にやるやつがいなかったからだと。	Number of companies active in AM Number of AM companies profitable Nature of AM industry	about 80 about 30 Oligopoly	Nature of AM industry	Barnding - general
2013	それからあとそこそこ給料が高いとゴールドマンサックスでファンドマネジャーやってたらそこそこ給与があるからそここいいじゃないかとミドルリスクハイリターンでみんなリターンがもらえるので会社を作るインセンティブがほとんどなかったわけです。	Need for people to establish AM company Risk of establishing a company Risk of working for Goldman	None High risk, high return Middle risk high return	Comparison working for Goldman and establishing a AM company	Barnding - general
2014	ただベンチャー企業家という立場で見ると、ベンチャー経営者というのは穴を見つけて穴を埋める仕事だと思っているんです。穴を見つけてるのは社会的課題の発見ですね。何故こんな問題があるのだろうかとか問題の指摘というか、穴を埋めるというのは、executionですね。実際に評論家ではなくやると。これは難しいけれども、穴を見つけて穴を埋めるという観点でみると穴はみつきましたね。投資信託を大衆商品としていざブランド品として扱うという切り口がない。	Nature of venture business The nature of the problem	find out a problem and fill it in. There was no brand in AM industry	The problem is that there is no brand	Barnding - general
2015	例えば野村とか大和とか日興とかみずほとかは巨大だし、商品もあるし、提示力もなにもかもあるだけでも、彼らはブランド品を作って、多く持ってもらって、小口にばらまくという風な発想はそもそもないんですよ。そのための時間も使っていないし、金も1円も使っていないわけですよ。超巨大企業で資本力があってパンフレットにかける労力であったり、投資がゼロ円であったり、ただでこのぶうだけですからその件に関してはね。やり続けるということでもなくとも邪魔をされない時間が味方になると言うのがこの本件に関する仮説だったわけですよ。	Nature of large financial group AM companies Existence of aspiration to establish a brand The conclusion from research was	Large, with lots of products, presentation capabilities Not existent that there would be no company in competition for the brand establishment	Large Ams do not have intention to establish a brand	Barnding - general

2077	明治大学でもう17年くらい教えてるんです。ベンチャーファイナンスの授業教えてます。法政大学のMBAに通っていたこともあるんです。1997年から2001年についてですけどオールドだったんだけど最後論文書けなかったので卒業できなかったのですよ…大学院との方で外編通りの上の方ですけど自分として良かったのは学位はMBA取れなかったんだけど最後に論文出さなかったから、あの時に学んだことはものすごく役に立って、サイドを勉強し直してたててことはすごくよくて卒業してないのに一応そこをいってその中の出世頭ということになっていて、たまに法政大学の大学院新館で講師をしたりしてらるんですよ	The length of teaching at Meiji University for venture finance		Strategic direction for branding is different from financial group asset managers	Branding - general
4022	それで考えないといけないのは goldman sachs のブランディングについてということになりますけどどうい風にブランディングを考えてらっしゃいますか <b>まあ良いブランドをど提供し続けるしかない</b> わけですが根本は投資家の意識が変わらなとなかなか変わらないと思います	The key to success for brand establishment	Try to continue to provide good sustainable funds with good performance	Branding strategy	Branding - general
4029	投資家が自分でファンド探し始めて調べて、確かにゴールドマンサックスのファンドって他に比べていいよねということで指名買いをしていただけるようになるとこれはとても素晴らしい世界で我々もダイレクトマーケティングをやらうというインセンティブが働くわけですが今はまだ販売会社の方がゴールドマンでこない会社だからこのファンド買わない？というセールスをして、そうかなという感じで買ってもらったのが現状だと思いますまだ投資家から始まるのではなく販売会社が行って初めて意識していただける状況なのでこの流れが逆転しないとなかなかブランドはしっかりと構築できないということになると思います	The ultimate goal for brand Realistic brand strategy Channel of branding	To be chosen by investors Can lead to direct marketing initiatives Sell Goldman amongst distributors Through distributors	Ideal and realistic brand strategy	Branding - general
4028	我々のブランドは販売会社に浸透させようとしているんですね。彼らが握ってますので、まだなかなか投資家に浸透させようというアクティビティは行われなくて、というのは効果がないからです指名がないからその指名買いを発生させるためにはどうすればいいですか <b>投資家の啓蒙</b> です定期的に自分たちで考えていかないといけないわけです	Targeted audience Effect of direct branding strategy to investors Change driver of effective branding	Distributors Ineffective Investor education	Branding strategy of Goldman	Branding - general
2029	だから既存のところで言う結構ボーンと大きくなったけどボーンと解約されて結局はそういう傾向になるだろうという風に思ってる人が多いだろうと思うんですけど実はそうじゃないんです。	General understanding of the people	Leos has become suddenly large, hence will shrink easily	Different investor behavior from others	Branding - by performance
6018	ブランドはいろいろ話をするんですが色々マーケティングと言うか広告宣伝を含めてのまあ綺麗なロゴを作るとかそういうことをやってる人達はちゃんとしてそれはそれで大事なんですけれどもやっぱりその後レベレーションと言うか要はネーミングの確立したいものについてはこれはどちらかと言うとブランドを作ろうというよりは <b>ビジネスをやった結果認知度が上がってる</b> とそういう方向なんじゃないかなという風な気がします	Frequency of talk for branding Image of branding The process how branding is established	Often advertisement and refining logo etc Accumulation of good work can increase user recognition thus branding	How brand is established	Branding - by performance
6019	ブランドの話は社内でもしたことがあるんですが例えば海外でも PIMCO という名前自体は大きくて意味ないですよねあれはただやってきたことが PIMCO という名前を作ったんであって名前が良かったから売れたわけではないです <b>良い商品を作って信頼される</b> と <b>結果として社名が売れてくる</b> と長期的に愛される商品をもどん出していくということにつながるんじゃないかと思えます	Frequency of branding talk within organisation PIMCO is a brand but is not a brand of its own sake Extent of efforts to establish brand	Sometimes Accumulation of good performance resulted in making PIMCO a brand Try many times for a long time	How brand is established	Branding - by performance
6020	我々結構営業の中でもクライアントサポートとかコミュニケーションとかそういうものになり時間とお金をかけているんですけどそういうものを通じてでもブランドには価値があるのではないかと投資うち教育の担当も数十人いますけれども販売さんの数がかなり多いので結構銀行証券さんの支店を回ったりとかっていうレベルで人が出てますんで	Extent to which client support or client communication is serviced by sales Extent to which brand is created through client support Number of client support staff	Quite a lot Quite a bit tens of staff	Branding through client support	Branding - by performance
6026	長期的な視点で大きな柱になるものについては突っ込んでやるという感じですが後はバランス型もかなりこれはまあ地味な感じで対応そんなに急に行ったりということはないんですけどバランス型はなかなか特色出ないんですまあうちのなかでバランス型は大きく三つあってですね一つはもう20年以上続いているのがあって後はまあもう5-6年たつてのあったりですね <b>過去のパフォーマンスをベースに売っているファンド</b> ですトレンド追いかけるといっても地味に毎月同じものを追いかけるような販売さんがいるので長い目で見ると <b>Aum</b> の増え具合は着実に上がります	Duration of efforts for long term themes Extent of focus on balanced funds Manner of sale by distributor of the balanced funds Degree of increase in AUM	Very intensive Focused Over 20 years Slow and steady Steady	Long term sustainable themes deserve the efforts	Branding - by performance
6027	あまりボラが高いやつと上と下れば利食いたくなるし下れば損切りしたくなるみたいなところがありますけれども年利3%とか4%とかジリジリ上がって行くと売るとは <b>ミシタ</b> も見つからないでじわじわじわじわと結果的には一番良かったみたいなことになりまして再販可能な商品ってのが欄に結構あるんじゃないですか	Extent of willingness to sell/buy for volatile funds Extent of willingness to sell/buy for not volatile funds	High Very low	Low volatility makes fund growth steady	Branding - by performance
2030	それにひふみというキャラクターがいて、これはゆるキャラでゆるキャラグランプリ出ているんですけど、着ぐるみがあってこの子が僕らのアバターとなって色々語ったりしてくるんです。日本の7000本ある投資信託の中でキャラクターを持っているのはあともうひとつはあつたつがあるんですがちゃんとかこういうキャラクターを前面に打ち立ててやってくるのは僕らの会社しかないんですね。	Use of avatar HIFUMI Number of companies which has soft character The one seriously presenting soft character	Soft character two companies out of 100 Only Leos	Soft character is for creation of brand	Branding - corporate image
2031	これをもってかー一三という平仮名の名前でもオス日本型型投資成長株価値ファンドという風な名前は野村だって大相だつてつけるだけけれども、そんなのはあまり意味がなく食品の成分を並べて売って売っているような話なのでポッキーをチョコレートでコーティングをした後棒状クッキーと言って売っているようなものですよそれは全くおかしな風に見えると思わないといけないので、かつなお今僕らの意図はほとんどわかっているんで僕らは非富裕層を中心とした個人をベースとしている大衆商品としての金融というの僕らのキーワードで実はその点でみるとそれはこの意味では世界的にすごくユニークなわけです。	Naming of funds Common fund naming is like selling Pocky as snack stick dipped in chocolate Uniqueness of focusing on unwealthy individuals	commonly described by the nature of fund characteristics Very unique	Naming of brand or fund is important	Branding - corporate image
2032	だから今日来ていただいて嬉しいですけども確実に思っているのは5年とか10年経ったらハーバードのケーススタディにひふみが出ることによって日本の個人の金融に対するリテラシーが上がった起爆剤になりましたって言う指摘が位置づけになると思ってるので、なぜあれだけ現金中心主義であった個人の人たちが投資に向かうようになったきっかけはなんだろうかということがあと5年とか10年とかたつてくると、変わってくるときに、まだ変わってないけれども、僕はそうなると思ってるから、歴史的な位置づけの中でひふみが果たした役割は大きかったという風な位置づけになるのではないかとこのふりかえりされて研究材料になると考えています。	Contribution of HIFUMI in enhancing the investor literacy Hifumi will become case of Harvard	Will be very high as part of the hind sight in 5-10 years	Aspiration of Leos to be the pioneer in establishing brand is creating shift from saving to investment	Branding - corporate image
3029	あとプロダクトのところと言うとダブルデッカーとかトリプルデッカーとかありましたがけれどもまあいった形でただただ関係のないリスクを上乗せしていくようなものというのは利回り重視のお客様にとってみればメイクセンスなんではないけれども我々の社には合わないというところでこれからもう一線を画しておりました	Approach to speculative products such as double-decker or triple-decker adding unrelated risks for returns	Avoided Not in conformity with JF culture	Attitude toward speculative funds	Branding - corporate image

3030	後はタコ配りです。タコ配りして今基準価格が3000円になっちゃいましたとか色々ありますけれども利回り20%とかなるわけですねこれもやっぱりおかしいだろうということでこれもやっていますと所謂流行りに背を向けながらやってきたというのが当社のやり方でこれが今の顧客本位の業務運営という金融庁さんの流れの中で改めて jp さんのあり方って正しいですねとお客様から評価をいただいているポイントになってきているのでそこは自負いるところでプレッシャーをいきたいと思います	Attitude toward high dividend payout funds Likelihood to follow market fashionable trend	Avoided Not in conformity with JP culture	Attitude toward high dividend payout funds	Branding - corporate image
3054	jp モルガンのベストインカム買いたいですなんてくるのが理想なんですけれどもおそらく現実的には我々のレベルを考えるとその一歩手前のバランス型高いましょとなったときに、バランス型にはこれとこれとこれがあります。どれにしようかと言った時にお客様がじゃあ jp のにしたいとそれはうちのベストインカムの内容を知っているというからではなく <b>jp モーガンという安心感</b> で買っていたかとそれを第一歩だと考えるとあまり商品に紐付けしないでですね	Nomination of JPM by product such as best income Nomination of JPM because it is a good company	Unlikely More feasible	Actual brand success image	Branding - corporate image
3055	コーポレートブランドをもう少し日本に根付かしていくと言うのがいいのかなという風に思っているんですね jp モーガンの銀行とか証券の人も結構 <b>モーニングサテライト</b> 同等に出ますよねそれ一つです。後は日経新聞の中での引用の数をもうちょっと増やすとかですね	The ways to increase brand popularity	JPM people show up on TV programs. Increase exposure within Nikkei newspapers	Actual brand success image	Branding - corporate image
3056	また今は何と言っても esg 流行りです。jp モーガンが女性の働き方というのを女性の働き方を変えるべくそれを促進すべく子育てしやすいに実は京橋にいくつか会社のお金で社員向けに保育所を会社のお金で借りてるんですね。今就職したくてもなかなか保育所が見つからないからできないというのがあるじゃないですか	Level of reception of ESG level of image in having child care facility nearby office	now boom Good image creation for ESG	ESG and brand	Branding - corporate image
3057	そういうのがないようにもう会社のお金で借りていて自由に使ってくださいということをやっているんですね。でもそういうことを世の中に上手に宣伝できると言うことができているんですね。	Appealing ESG effort to public	not enough	Appealing ESG	Branding - corporate image
3058	それから例えば障害者雇用もこれからなんです。今法律的な要求を満たすために最低限の雇用はやってますが全ての人がいキキ働けるというのを理想にするならばもう少し適材適所を考えてディザビリティの方の適正を考えて本当にプロダクトに働いて頂けるようなコンピネーションというのを考えてますということをやったりとか。	Employing disabled people	For more lively suitable work positions for them	Appealing ESG	Branding - corporate image
3059	ボランティア活動は我々積極的にやっているんです。会社としてこういうボランティア活動をやっているんだということを手上に宣伝したりするとですね jp モーガンっていい会社なんだなという風になると思うんですね。そういう良い会社が運用しているんであればお願いしたいとそういう角度でもいいのかなという風には思っています	JPM active in volunteer activities ESG could create corporate image	Not well known appealing could be effective	Appealing ESG	Branding - corporate image
2036	アセマネ ONE を抜いて1位になりました。結局 <b>パフォーマンスとか商品開発力とか全てでどこで競合社を圧倒して1位</b> だったということです。僕らはなんだろうなあれを10年かけてやってきたわけですが1億5千万円から今8千数百億円近くへ来て今三つのファンドをだして、マザーファンドが成立しているんですが、マザーファンドで今日本で最大の収益になっているんです。	Ranking criteria Ranking given	Performance, size as the biggest mother fund in Japan No. 1 ahead of Asset Management One	No.1 in R&I satisfaction ranking	Branding - customer satisfaction
2036	でもこれは僕らは全然だ一里塚の一つであって日本ぐらいの先進国一つでファンドで三兆円ぐらいのファンドは全然あっておかしくないわけですね。アメリカで10兆20兆のファンドがごろごろして、もちろんそのアメリカと日本でマーケットのサイズは違いますがアメリカを除くと日本中国というのは Top2-3 のところでこれだけ小さい我々のような投信会社の営業努力が足りなかったもしくは考え方が古かったというのが大きいという風な面があるので、まずは1位になるとかというのがこれをさらに突きぬけていかないといいけないと、当然それは商品のライナップを広げることになるんですけども例えは世界株型とかここも大穴なので、プレーンバナーな世界株のアクティブというのはこれは日本に全くないんですね、元々日本株でなかったわけだから日本株にもともとブランド品がなかったわけですから世界株の野村でもどこでもブランド品としてないから <b>ひふみという確立してブランドの中で世界株を出して攻めていく</b> というようなことは <b>それの次の戦略になる</b> だろうという風に思います。	meaning of having got the 1st place for customer satisfaction by R&I Existence of Japanese equity brand Chance of establishing a World stock brand	One milestone None Possible after Japanese equity	Havnig become No. 1 is just a milestone	Branding - customer satisfaction
2038	まあブラックロックとは言わないけれども700兆という今から700倍じゃないですか。僕ら一億五千万からスタートしたんで6000倍にしているんでかつインターネットという武器があるので <b>ネットを使った新たな投資</b> というかもっと小口化したり、 <b>もっと面白くする</b> ようなこともやりようによってはあるからまず一三三というブランドを作って信用、信頼を作ってあいうロケットのキャラクターみたいなものを使ってこれから分厚い説明であったり作りながらパフォーマンスも大事なんですけれども我々はパフォーマンスで実は現場では売ってないんです。	Size of Blackrock Past growth of Leos Ways to expand Sale of product by performance	700 times of Leos 6000 times Use internet Hifumi soft character Smaller and easier investment Not a proper way to sell	Past growth justifies future growth 700 times from now	Branding - customer satisfaction
2041	僕らはビューアログが基本的な考え方になっています。僕らは下がった時に入金が多いんですよ。私は30年も運用やっています。それでもロングで行くのが正しい方向だというふうに考えています。10年20年のスパンで考えればロングで行けば必ず勝てるという信念は基本的にはあります。根本的にはショートはしないという考え方持ってるんでそんな話はないとショートする態度を持つわけだから通常の個人の投資家の観点から見れば80%のお客さんっていうのは違うんですよ。	Leos investment philosophy Belief of core customers of Leos	Pure long and increase investment when market is down In 10-20 years in the long run long position will be rewarded	Pure long is Leos investment philosophy	Branding - customer satisfaction
3045	ここ昨今の風潮についてはあるべき姿になってきたんではないかという感じで受け止められております <b>B to C の観点からは個人の皆様との接点はウェブ</b> だというふうに考えています。ウェブを見やすくそれから Web に入ったら勉強になるなということ。商品説明以外のこういったコンテンツもうちの Web で見れます。そこからダウンロードしてもらったりの数で数ある運用会社の中でもあそこに行くとか何か情報とれるとかそういう感じにしていきたい	Way to B2C marketing WEB strategy	Through the WEB Easy to see, educational, and informative	WEB strategy	Branding - direct marketing
2019	<b>直販の場合は小さいけど自分たちが主導権を持って提供し、ブランドを築いていく</b> ということなんです。弊社にお願いすればそれはある程度の金額は集まるんですがそもそも回転という文化しかなかったんで、大きくなって解約されるだろうと、とうとうあったので、自分たちの前で直販でやるのがいいだろうとそういう訳で、69名のお客さんしか集まらなくて、150万円円ということですが、良かったことは何かということ、ほとんど解約しないわけですね。	Size of direct sale Degree of control of direct sale Degree of control of distributor model Decision of preference Advantage of direct sale model	small High Low Direct sale model Reception is rare to see	Advantage of Direct sale	Branding - direct sale
2021	納得したお客様が証券マンに人間関係で説得されて買った人は一人もいないから結果的に自分と自分が納得した人それもレオスという当時全く知名度のない会社の考え方に共感して頂けてくれた割と腰の入った投資家であって解約はほとんどなかったということがあるので、良かったのは <b>解約率がほとんどない</b> ですね、それで月次5%	Nature of customers of direct sale Rate of monthly growth	who agreed to the investment philosophy of Leos 5%	Direct sale customer investment behavior	Branding - direct sale

2021	69人の5%って3名なんですわね一生懸命営業して説明会をしても一か月で3名しか増えないわけですね72名とか76名とか80名とだんだん増えてくるこれを毎月毎月等比較数で伸びて来るので、200名だと10名になるし千名となるとこれは毎月50名増えるわけです。1万名になると500名増えるということでだんだん破壊力が出てくるということが出てきます。	Impact of compounded increase (5%)	69customers → 3 additional 200 customers → 10 additional 1000 customers → 50 additional 10000 customers → 500 additional	Impact of compounded multiple	Branding - direct sale
2022	そこで我々は根本的にスターバックスと同じようなやりかたで金がないということもあるんですが、テレビコマースは使わないで全て口コミでいいイメージを持ってもらうということを考えて、中心に根本的にはセミナーで口コミで広げていくというやり方で既存のお客様に満足してもらって、新規のお客様をとりに行くのではなく、既存のお客様に分厚くセミナーをすることで直販で毎月今でもそうですけども月に一回動画を含めた説明会をして、最初の30分間は動画で見ていただいてそのアーカイブは消さない基本的にはずっと見ていただけると、と言うことをやりながら終わってから飲み会をするファンを営業マンにするこれはいいねと、伝播の仕方が合って、そういうファンが口コミでファンを増やしてくれる。	Approach to advertisement Size of budget Way to advertise Practical way	Like Starbucks None Word to mouth Seminar with audio visual with archive After seminar a drinking reception	Method of marketing	Branding - direct sale
2023	ある人がレオスのお客さんになりましたと半年一年間テーマを弾く姿勢がいいねということになるとその人がその奥さんお父さんお母さんもしくは息子にすめるということになるので、ファミリーの縦のラインのところでお客様が回っていくんですよ。それが満帆になってくる具合になると、本当にウイルスとかの伝播と同じで、学校の友達とか、会社の同僚とか熱の仲間とかそういうところにどんどん広がりだしてきて口コミのネットワークがどんどん広がっていくわけですよ。	Manner of customers expansion	One follower will introduce his family, wife, father, mother, son, and then to friends, school mates, colleagues, etc.	Customer expansion channel	Branding - direct sale
2024	基本的には口コミを中心としたマーケティングをしていくというやり方をしていたところが大きい。	Marketing method	Word to mouth	Word to mouth	Branding - direct sale
2033	販売会社にセールスを依存している状況だとマーケット環境が悪くなった時に一気に資産残高を売られてしまうという問題点があります。ただ一三三の場合にはそれは適当な投資家は長期投資を理解した上でやっている小口の積立投資が中心であるのでそういう意味ではほとんど資産残高が急激に減るといふ風なことは発生してないという状況になっています。	Problem in using distributors Advantage of small direct sales	When markets get sour, distributors sell the assets There is no chance that asset balance reduces dramatically	Hifumi customers do not redeem fund so easily	Branding - direct sale
2034	アンケートをとると顧客層は実に多様なんです。キャラクターが好きだから買ってるって言う人もいますし大衆商品なんて随分と違う感じなんですもんちろんパフォーマンスの魅力というのは確かにありますけれど、も会社のあり方独立系の魅力とか、情報発信が分厚くて安心するとかいうことであったり、営業マンの人物ということがあったりしてですね、実は去年のR&Iのファンド情報のブランド力調査で販売会社のアンケート調査で一位だったわけですよ。	Variety of customers Kind of customers R&I	Quite a variety Character preferred Good performance Company Personality of sales staff Customer voting No. 1	Variety of reasons for becoming Hifumi customers	Branding - direct sale
2046	これを100億とかの規模にしていこうと、もちろん解約があっても一時的にやられることはあると思いますが、根本的にはお客さんは積立型のお客さんを中心に開拓してるんです。僕はファッションでは売ってないです。マーケット環境が悪くなった時にペーと完全に捨ててしまうということは考え方としてはありません。それは投資家を騙してやるようなことになるとおぼろげです。	Intension of increasing the size of saving investment Those saving investment customers would prefer	To make it JPY10bn. To stay with the investment	Plan to increase saving investment to Jpy10bn a month	Branding - direct sale
3046	直販についてはいつも頭のどこかにあるんですけども例えばフィデリティさんの直販を見て大きく成功しているようには見えないですまあサイズが小さいのはいいにしてもそこにもメンタがタムがあるかと言うとモメンタムも感じないかということがあるのでコマース面であらうかという一歩を踏み出しづらいなと思っていて	Degree of success of direct sale Growth momentum of direct sale Overall judgment to enter direct sale	Not successful e.g. Fidelity Low negative	Direct sale	Branding - direct sale
3047	実はそこですねイタリアとドイツのミーティングの時に話をしたいポイントでもあるんですけどヨーロッパの全体を見るヘッドとこの前話した中ではですね UK の方は US に若干カルチャーが近いので直販はまあありだと思うとまあ大陸ヨーロッパはないというのを感じていますよ	Positiveness of direct sale in UK Positiveness of direct sale in Germany and Italy	Reasonably positive Negative	Direct sale by each country	Branding - direct sale
3048	やっぱり B2B の中で B の人がいかに C2にインフルエンスできるかということと B に対して指南していくと今日どうして行くのかやほりこなんじゃないかとで以前ですねどこの会社かわかりませんが直販を始めようかなということを書いた会社があったらいいんですけども総スカンくらったらしいんですよ	Direct sale to C or provide education to B Past attempt by an asset manager to start direct sale	Prefer providing education to B Asset manager had frosty reception	Direct sale attempt	Branding - direct sale
3049	ディストリビューターコミュニティからということもあるのでそれが怖いからそれが出来ないというのちよっとそれは違うんですけどもまあそういう現実もあるみたいですし直販については積立など小さくやっていくという方策もあるかもしれません	Appropriateness of being intimidated Alternative strategy to start small monthly accumulation type	should not happen Could be possible	Direct sale	Branding - direct sale
3052	が直にやると個人の投資家さんと直に向き合うわけですから結構膨大なインフラが必要になるとまあリアルコンプラとかも法人限定のビジネスをやっている我々とはやはり個人を扱うとまあ大変ですよ また今度はジャンルが違いますけれども ゴールドマンさんもこの前持田さんが発表されましたけれどもネット銀行を東京で展開するかもしれないという話があったんですが長い目で見ればですねそういう風に展開していくというのもあるかなという風に思っています	Kind of burden in developing direct sale	Legal and compliance would be far far stricter	Burden in having direct sale	Branding - direct sale
4025	今のところ直販行ってらっしゃるのフィデリティだけですね 我々も常に意識はしてるとは直販するということは既存の販売会社さんに対して自分でコンペティターを作るわけですからそこまでやる勇気とメリットがあるかどうかということ	AM doing direct sale Result of direct sale	Only Fidelity Creating competitor of distributors	Direct sale potential	Branding - direct sale
4026	まだその時期じゃないねというのが判断ですあまり販売会社の方がブツブツ言わないようなエリアだけをやるなんてことは考えられるんですか例えば小口の積立だけを直販でやる通常の販売はやりませんが積立だけありますみたいなのはまだ受け入れやすいではないかと思いますが私は7年しかいりませんが良い方向には動きつつありますスピード感はどうも少し早い方がいいですが	Timing decision of direct sale Kind of products for direct sale	Too soon saving investment could be possible	Timing for direct sale	Branding - direct sale

5036	こういったテーマのファンドは直販と言うかそういったものも一応直販も持っているので、マーケティング的には考えられるですかETF化するとかブランディングに資するため上場ETFだけ乗っけていくと直販の一番の問題はトランザクションのコストが高すぎるということです	Extent of problems with possibly Listed ETF s	Transaction costs are too high	Direct sale	Branding - direct sale
5037	振替の費用とか小口の振替にあんなにトランザクションコストを払っていたら合わないんじゃないかというのがやっぱりシステムとかいうよりもどうしても口座振替とかそういったところになりますので口座振替手数料とかまさにトランザクションコストが下がると言う例えばブロックチェーンがあって下がるかどうかということになると全然違うビジネスで下げていくようなことがないかと採算的には非常に厳しいというところが問題です	Degree of profitability contribution	fund transfer costs are stumbling blocks small savings with transfer costs are far too heavy	Problem with direct sale	Branding - direct sale
5038	これは永遠にいたちごっこになります採算の取れる口座と採算の取れない口座がずっと拮抗し続けることになりシステムとトランザクションのコストみたいなものは変わらないと悩ましいというのが本音です お客さんがポンと買ってくれるのはいいんですがどうしても積立である。ネット証券さんが強いのは両サイドいけますから、こちらで回しながらこちらで利益がありますからいいんですけど、AMは難しいです。	Extent of Innovation such as block chain is necessary to reduce transaction costs is needed	Transaction costs are far too heavy vis-à-vis trailer fee thus dramatic cost reduction is a must	Problem with direct sale	Branding - direct sale
6034	オンライン証券とかありますから我々は直販してそんなに付加価値はつかないんじゃないかなという感じがしますね DC になりなると投資うちと言うか一般の消費者の皆さんの中でそういう投資の体験とかができてくると特に銀行さんが環境が悪くすると販売力は一気に落ちるんですね	Degree of added value by doing direct sale Relative advantage against online securities houses	Not very much No advantage	Added value of direct sale	Branding - direct sale
6024	特に販社さんから話が来た時にはホップステップジャンプの最後の上昇の部分でファンドを作ってほしいというのが多いのでそこは気をつけたいといけませんかといってあまりサイクルのアーリーステージに入ると知らないでその説明が大変だということがあります	Degree of care that you need to exercise if request by distributors is received	Very much needed Very high in Japan	Japanese investor late entrant	Branding - general
6026	一番早すぎるどころかも疲れてしまうので中盤ぐらいまでは間に合いたいとは思っていますけれども例えばうちでロボティクスを取り上げたのはかなり早かったと思えますねその時はまだロボットをずっとと言っても本当に昔のロボットみたいなイメージで結構鼻で笑われたり聞きましたけれども随分そこは色々ありましたね	Extent of onerousness if you are first to bring out the idea Example of early introduction	Very onerous Robotics fund	First to introduce concept is onerous	Branding - general
3018	けれどももっと先には例えば大学の寄付講座とかを我々が聞いて投資に対する考え方であるとかということを何かをやったらいと思うんですがそこまでの余力は正直にございませんのでそれそれはまあ野村さんなりにお任せするとして我々としてはディストリビューターの営業の皆様店頭にいる所謂担い手さんと言われている2年目から5年目までの方、必ずしもリテラシーの低い本部からのノルマを受けてやっているとですから彼らに対してですね正しいコンサルティングのあり方ということを我々が指南するということをやりたいと思います	Ultimate goal Literacy promotion target	To have a special lecture course at Universities second to fifth year employees of distributors	Financial literacy promotion target is second to fifth year employees of distributors	Branding - investor literacy
3019	その中で guide to market って言うのがあってこれはマーケットインサイトプログラムと言う大きな教育プログラムなんですこれはアメリカの方で作られたプログラムなんですこれは IFA に向けた教育サービスなんです IFA はご存知のように大手の会社に属しているわけではなくアドミだけ所属会社にアウトソースしているぐらいの人達ですから基本的に情報に飢えていらっしゃるということですから当社の方です JP モルガンのプロダクトに紐付けすることなく IFA の皆さまの営業活動に資するような教育のプログラムです	Target audience of Guide to Market Relationship between products and Guide to Market	IFAS None	Educational program	Branding - investor literacy
3020	この guide to market というのはマクロ経済の状態を定点観測するようなデータ集なんですご覧いただくともあデータが ダー と載ってるだけでそれ自体何言っているかわからないと思うんですけどだこれ全てに対してナレーションがついてるスクリプトがついてるんですねそれをウェブでこれ専用のアプリがありますので見ていただくナレーションがついてるんで聞いていただくこの表が何を表しているのかというのをずっと聞いていただけるようになるんですです全体で90ページぐらいのものになりますけれどもまあこれを日本に導入したのが5年前なんです	Guide to Market Narration script The time when we started to use Guide to Market in Japan	data book you can listen when you are on the web site you can see when you read the data book	Use of guide book for literacy education	Branding - investor literacy
3021	これを全て日本語に訳してかつアメリカのお客さんと日本のお客様では見る場所が違いますから日本風にページのレイアウトを変えたり内容を変えたりとかしまして一番最後の方を見ていただく投資の基本というタブのところをご覧いただけると思うんですねそれではずっとマクロからそれぞれのセクターの話ですけれどもこの投資の基本セクターというのはもう少し一歩下がった感じで毎年パフォーマンスがいいとか悪いとかというのいろいろ入れ替わりあるんですよ	Guide to Market language Guidel to Market layout Basic sector column	translated into Japanese changed for Japanese Top performers change every year	Use of guide book for literacy education	Branding - investor literacy
3022	だからローテーションしていくことが大事なんです分散することが大事なんですよ という話であったりとかですけれども何で投資するんですかということとか長期投資の重要性とか分散の重要性とかあとは積立投資の効果とかそんなことを説明してやるようなものなんですこれを我々四半期に一度全部アップデートしますのでこれを主要な販社さん向けにセミナーを開いているんです	Lessons learned Other lessons to be learned Frequency of update Frequency of seminar for distributors	Rotation of asset, diversification of asset is important importance of long term investment Every quarter Quarterly	Use of guide book for literacy education	Branding - investor literacy
3023	5年前から小さく始めましたけれども今や結構大きくなりまして年間延べ人数で5000人弱の人にご参加いただいているようになってきてまして名だたる大手の銀行さんのディストリビューターとか証券会社さんとかそういう方が本部の方支店長の方からお前行ってこいという形で行ってということなんです	Seminar has grown to 5000 people How participants are assigned by the distributor companies	in 5 years Assignment by branch managers	Literacy educational seminars	Branding - investor literacy
3024	でこれに加えてですねどうしてもその販売の皆様そこまでマクロに興味がない興味がないと言ったらちょっと言い過ぎですけどもこれまで我々が話をした内容のことがスックと入ってきて自分なりのセールストークが組み立てられるのかあるのかということがありますので補足資料としてこのようにQuarterly perspective と言ってどこを見て頂きたいのかというようなお話をわかりやすくすることもやっています	Level of participants knowledge Purpose of support material for sales talk	Not strong at macro-economics guide for where to look at	Supplemental material for literacy education	Branding - investor literacy
3025	営業現場のコーリエアを支援するということに力を入れておりますこれをやったからといって jp モルガンセットの商品が売れると言うとは限らないというのは分かっているんですけどただパイが拡大されれば我々のシェアが一定であっても儲かりますんでねそれでいだろうと思っております	Focus of efforts in sales support Returns expected from sales support	on improving the distributors service quality Increased sale of all the funds including that of JP's	Focus is improving sales capabilities of distributor staff	Branding - investor literacy



3026	<p>ではですね当社これやっているとある意味王道の事をやっているとは思っていてもプロダクトのオフラインの姿勢にしても王道を行っているという我々は思っていてテーマ型のファンドが乱立するというのは日本の特有の特徴だと思います</p>	<p>Attitude toward theme based funds Nature of approach</p>	<p>Negative Basic and fundamental</p>	<p>Focus on enhancing distributors basic capabilities</p>	<p>Branding - investor literacy</p>
3031	<p>投信がなかなか伸びない理由は改めてなんなんだろうかとと言うと金融リテラシーのところもありますけれどもお客様から見たときにコアな金融アセットというのはいずれも預金であり外貨預金だったら多少つきますので後は年金保険でありとサテライト的にちょっとこう遊ぶ感覚で投資をするということは何でテーマ型とかそういうことになってしまうんですけれどもいかにそのコアな資産形成の部分として投信をお使い頂くのが非常に大事になってきますので販売会社の営業の方々にもそういった啓蒙活動をやって頂きたくてこうゆうのをやっていますし、その中で是非バランス型のファンドを売っていただきたいと特思っているんです</p>	<p>Investor attitude toward investment trust Focus of marketing attention</p>	<p>Core is deposit and in small portion investment trust Balanced funds</p>	<p>Focus on balanced funds</p>	<p>Branding - investor literacy</p>
3032	<p>マルチアセットですな当社で言うところベストインカムというファンドがあって今は3000億円から4000億円ぐらいの残高を持ってるのであればこれをピラミッドとコアに据えて置いて跨折株債券だとかちょっと散らしていくマルチアセットに関しては何も考えず10年20年もっていただくという風にやっていたいと思えば全然浸透していませんのでそういうことをやっていきたいと思っています</p>	<p>Best recommendable fund Balance of Best Income fund Span of investment</p>	<p>Multi-asset Best Income fund JPY300-400bn 10-20 years</p>	<p>Multi-asset fund is important</p>	<p>Branding - investor literacy</p>
3053	<p>頭の片隅にはあるって感じですかね ブランディングの観点からは、まず第一ステップとしては最終ゴールはお客様の方から逆指名ですね</p>	<p>The goal of first phase for brand establishment</p>	<p>To be nominated by ultimate investors</p>	<p>Goal of establishing brand for now</p>	<p>Branding - investor literacy</p>
4032	<p>通常は大証券が売ってるとものに期の大証券が入ってくるというのではないですねあと何か苦労なさってること何かありますかね良い方向に投信の現場は変わりつつあるかなと思います理想は個人の投資家が自分でスーパーマーケットに行って商品の値段を比べてよりメーカーの能力を比べて買うというのが最終型ですのでもそこまでは達していません</p>	<p>Past experience Recent impression</p>	<p>Big three securities houses do never join forces AM industry is heading for better although individuals cannot make comparison and decisions of their own yet</p>	<p>Current literacy level</p>	<p>Branding - investor literacy</p>
4033	<p>啓蒙のためにウェブサイト等を使って行なっているみたいにはあります自分で探してGSAMのサイトにアクセスして個人はそんなに多くはないですやり作り込むときも意識するのは販売会社さんですね販社さんの担当が見て説明をしやすいかどうかの資料を積極的に提供しています 販社に頼って初めて投資家が気づくという風なことになるように考えています</p>	<p>Number of visitors coming GSAM site</p>	<p>Not very many The contents are provided for distributors Site materials are to help them to explain products</p>	<p>Website efforts</p>	<p>Branding - investor literacy</p>
6021	<p>教育したりしないといつも作ってもその良さが正確に伝わらないという問題がありますからそうしないと結局パフォーマンスが上がった下で上がった話になってしまいますからそれだけだとやっぱり不安になるじゃないですか</p>	<p>extent of the problem is distributors are not educated manner of reactions without investment knowledge</p>	<p>They cannot appreciate the fund well just up and down of the market and fearful</p>	<p>ability to appreciate a good fund</p>	<p>Branding - investor literacy</p>
6022	<p>長期的には例えば株式だったら右肩上がりまあ来てるわけですからやっぱりリーマンショックの後で下がったからといってそこで狼狽して売ってまた戻ってこないとか次のサイクルが取れないということをやっているとわかって我慢できるというためにはもちろん我慢も必要ですけれどもそれはちゃんと待つのがいいんだということが変わらないと待てないですね</p>	<p>level of ability to wait for the next cycle after the crush event such as Lehman shock it not educated</p>	<p>Very low</p>	<p>Importance of investment knowledge</p>	<p>Branding - investor literacy</p>
6023	<p>我々も負けと見ないわけではないですがさすがにこの局面では中国株はまずいだろうとかそういう常識はある程度をわきまえた上でですけれどもただあれは流行ってから行くとか大体高値掴みっていうのがよく聞いているではあるのでもあんまりそういうのはむしろ見ない方がいいという考え方もありますけれども日本では多いですね</p>	<p>Extent of need for common knowledge that now it is difficult to invest in Chinese equities Frequency of failures to enter into a bull market at the last leap</p>	<p>Very much needed Very high in Japan</p>	<p>Requirement for common investment knowledge</p>	<p>Branding - investor literacy</p>
6035	<p>いろいろ我々もいろんな人たちが現場にいる方と話をしたりするんですけども売っている人たちがあまり信用してないという後ろめたさを殺して我慢してやってみない言われたからしかたなくみたくないところがありますからそういう風な感じもあってですねそうすると相場が落ちた時とか説明とかも多分まだ十分にできてないじゃないかと思うんですねその辺りを含めて販社の教育ってのは結構大変ですねまやらないといけないんじゃないかなと</p>	<p>Degree of weakness in persuading investors when market is down Extent of the importance of distributor education</p>	<p>Weak for banks Very important but not sufficient</p>	<p>Need for distributor education</p>	<p>Branding - investor literacy</p>
6036	<p>証券会社の方は損したからといってそんなに慌てないでくださいということが平気で言える人たちがたくさんいますけれども銀行の人はまだそこまでその辺りはまだ苦手のかなというところがありますでもまあ程度の話でモラルがあれば買った後一度は損するんですけど上にあるということはありえないですから損した時に頭を抱える時にどうい言葉かけられるかってのが結構肝じゃないかなというふうに思っています</p>	<p>Explanation of securities companies when market is down Explanation of banks when market is down</p>	<p>Please do not bother too much cannot say anything</p>	<p>Need for distributor education</p>	<p>Branding - investor literacy</p>
1004	<p>独立系の会社がどうやったら独自色を出せるのかいろんな販売とかで目立っていかないとはいけません</p>	<p>need to attract customer attention</p>	<p>should be high</p>	<p>Independent companies have challenges in being distinguished</p>	<p>Branding - Need for strong brand</p>
1053	<p>ま世の中良い時悪い時もありますけど相対的にずっといいパフォーマンスを出していったというものがまあ元々運用会社としてのクリエイティビリティと言うかそういうものの背骨にあって、それに色々なものが繋がってきたという風な形で会社としてのエネルギーも蓄積してないかなと思います</p>	<p>Chance of creating brand through constant good performance</p>	<p>Difficult</p>	<p>The company has delivered relatively good performance</p>	<p>Branding - Need for strong brand</p>
1068	<p>課題として認識してはいるのはお客様から見るとまだ運用会社が見えていないんですよ。これが問題点ですどこかの販売会社を売ってるとかファンドという認識しかないこの運用会社の方のものを売ってるとか考え方はリテラシーにはないんです</p>	<p>Degree that investors identify asset management companies</p>	<p>Very low</p>	<p>Need for asset management company brand</p>	<p>Branding - Need for strong brand</p>
1069	<p>例えば6兆円の残高のあったグロソフも販売会社とグロソフの名前はあったけれど、国際投信の名前を知っている投資家はほとんどいなかった</p>	<p>Degree that ultimate individual investors know the name of the asset manager of the best selling fund</p>	<p>Low</p>	<p>Even Kokusai Asset Management was not branded despite Global Sovereign fund's phenomenal success</p>	<p>Branding - Need for strong brand</p>
1070	<p>ブランディングってのはどうい風にするかということなんです、これから絶対やらないといけないのがそういうブランディングの話であろうというふうに考えます</p>	<p>Need for establishing an asset manager brand</p>	<p>High</p>	<p>Absolute need for brand by asset management company</p>	<p>Branding - Need for strong brand</p>
1071	<p>ただ構造的には販売会社の方がファンドを転がしてパフォーマンスをどんどん悪くしていきますからなかなかブランドをつくるってのは簡単ではないだろうという風には思っています</p>	<p>Difficulty in establishing an asset manager brand</p>	<p>Distributors' churing destroy the performance track record</p>	<p>Distributors cannot be helpful for asset management company in creating a brand</p>	<p>Branding - Need for strong brand</p>
1072	<p>主力はまだ対面ですねネット直販は今のところ考えません。チャンネル観合ではなくてお客さんを集められるかどうかというところにまだ気があるからということですね</p>	<p>Chance of considering direct sale to individual investors</p>	<p>Low</p>	<p>Direct sale is not in sight</p>	<p>Branding - Need for strong brand</p>

2039	僕ら今地銀さんで37行たぶん47行全部行くと思うんですが、何をしているかという、地銀さんの所に行くんですけど、僕らはどうやって営業するかと言うと山形銀行さんと現場の人たちが結構出すよね寿退社とか言ってる3年とか5年かで辞めちゃうような人が多いですよ知ってますよと、皆そうだとという風な話をして、それはなぜかとモチベーションがわかない仕事をして商品をノルマとして仕事しているからだと、本当はこれは素晴らしい仕事なので <b>投資の魅力とか投資信託の魅力</b> 々々も話し語ってないでしよと。それ語ってないよ知ってますよ、だから僕らはこういうプログラム持つてくるから津々浦々まで行って投資の魅力や投資信託の素晴らしさとか話るからそれを語らせていただきたい。	Number of regional bank relationship Way to do marketing for regional banks  Selling investment philosophy and provide investment knowledge	37 to become 47 Share the sales staff problem with regional banks and educate them  is the most effective	Be in the shoe of regional banks to penetrate	Branding - distributor literacy
2040	そうすると一三の商品は売らなくても、 <b>他の商品は売れるし退社率も下がる</b> から、そうさせてくれるというのが僕らの営業トークなんです。そうするとそこはさきさきでいるので、過去過去の成績がいいなどあると上司も説得しやすいから、みんな受けてくれる。	Kind of results by selling investment education rather than products	Better Investment trust sales and lower turnover	Help regional banks to solve their problems	Branding - distributor literacy
2041	本部では <b>3点セット</b> と言われて営業のトップから言ってをトップと飲んだりキャバクラ行ったりある商品を持って行って行ってくれと言った時にあの商品おろしてからあとはキーワード営業でこれからキーワード三つ言うからおぼえてください。ロールプレイングをやっていくとうまく成功した人成果をあげた人は研修をして東京ディズニーに連れて行くという営業マンが今地銀の営業マンだというスタンダードなプロトコルなのでたとえそういう人たちはひふみでは全然役に立たないんでベテランは全く役に立たない。	General requirement for sales team  Usefulness of sales persons with general sales protocol	Drink with decision makers, provide three key words for the sale Reward good sales with Tokyo Disney Land etc. Useless	3 secrets for successful promotion	Branding - distributor literacy
2042	それで僕らは逆にそういう事を全くしないんでね  ひふみが地銀で売れているのかかわらないって言うインタビューとかするとみんな様子が分からないでパフォーマンスがいいからでしようっていう風に言われるんですがそういうパフォーマンスがいいですよという答えが出るうちは実はとても良いことでそれで僕らはそういう風な風に進めていて実際に僕自身もそうだけれども田舎の支店の所へ行ってあの雪深いところへとか離島とかに行くと本当にその話をしに行くんです。	General understanding of people why Hifumi is selling well Secret of success Where to do the talk	Good performance  is investment education for distributors outcasted area and isolated island	Pormotion to solve regional banks' problems	Branding - distributor literacy
2043	そうすると今度は回目に行くとき空気が変わってくるわけですね。ベテランみたいな人たちが綺麗事ばかり言っていると聞いていた人たちが変わってくるので、そうなることもうしめたもんでそういうことをしてとにかくキーワードも言わずに <b>投資の魅力</b> とかひたすら話して行くことそういう人たちはどんどん戻って講師をやってくれ僕は講師育成みたいなところがあるって真似じゃなくて自分の頭で同じことを伝えられるような人をたくさん作っているんでそこそここのコーディネートで喋れる人が25人ぐらいいるんです。	Response at the time of the second visit  Number of Hifumi's staff can provide education	Having seen the favourable results of the first visit, they welcome Leos's visit 25 staff	regional bank support marketing is valid over time	Branding - distributor literacy
2044	直販とかだと中山さんとかモコモコ投信の沢尻さんとか話せるんですけどもそのところを育成強化してプログラムでなど意識してないからさわかみさんところさわかみさんだけがお話なさってるし3-4名しかしゃべれないです。そういうことを <b>しゃべる人たちを作る</b> ことによってまた専念していると需要があるわけですね・現場で体験させてやってるのでもまた36都道府県まで来たけれどもこうやって決めてやってると結果的に例えば、秋田銀行が来ましたと、初年度10億円です。次30億円で次100億円ですと今秋銀で250億売ってるとい状況になっています。	Famous AM companies who are able to speak about investment  Effectiveness of investment education	Nakata of Saison, Shibusawa of Commons AM, and Sawakami of Sawakami fund can speak but that is all. Quite effective	Number of story tellers are numerous in Leos	Branding - distributor literacy
2045	大分銀行が1年半で100億で結局等比較数的に  そういう人たちの教育を進めることによってそれが僕らの勝ちパターンなんですそれは <b>カルチャーから行く</b> と言うのが大事だという風に思っています。  経済環境が悪くなって資産が売られてパフォーマンスが落ちてくるという問題についてはですね僕らのお客さんは積み立てが中心なわけですね。毎月積立だけで現状60億円が入ってるんですよ。僕らは積立中心で営業してるんです。	Most effective marketing activity  Investor behavior when market is down	starting to change the culture of distributors would be the most efficient They tend to redeem, but for Leos because predominantly it is saving investment, there is little redemption	Start with culture	Branding - distributor literacy
	Text	property	dimension	label	Category
2057	今も私が主要なファンドマネージャーなので全部の売買は私が指図しています。僕は現役のひふみのファンドマネージャーです。社長兼ファンドマネージャーをずっとし、売買の発注書を作って  売買そのものはトレーダーがやりますけれどもどの全銘柄の全ての運用指示というのは私がどの瞬間も行っています→出展の時は運用指図をしないで放っておいています。	Fund manager of Leos fund All the portfolio construction is	CEO himself if the fund manager Done by CEO	CEO as fund manager	CEO should know investment
2058	私の運用スタイルは随分と他のファンドマネージャーとは違うんです。あと時間軸が違うかな例えば四半期の決算は見ないとかむしろアナリストとかファンドマネージャーはいるのである程度情報を集めていますけれども基本的には四半期ベースでの決算は気にしないと、それから増減修正についてもあまり気にしないというところもあるのですが3年間の平均成長率を見てると、その <b>3年間の平均成長率が15%から18%を維持してると言う事が大事</b> だというふうに考えています。	Fund management method of Leos Short term changes in profitability Things to look at	Do not look at quarterly statements Should not be concerned Average growth rate for the past 3 years that remains at 15-18%	We have better product hit ratio than competitors	CEO should know investment
2059	今は結構スタッフが多くなってきて運用する時間がそこそこできるようになったんですけど会社作ってすぐからいってのは運用は片手間で営業と社長業が中心だったんですよ。ファンドはこんなちっちゃかったからそんなものももうすぐマネージできるのでいくらでもよかったんですがやっとならって今8000億にもなってきたんでまーまーちゃんとも見ようかなという風な残高になってきたんですが、まあ現状ではサイズ上の難しさは全然感じてないですね。	The situation when Leos was established  Level of difficulty in managing the fund now that the size is JPY800bn.	Busy in CEO's work, but fortunately the fund was very small and needed little time Not that difficult	Request by distributors for a new fund	CEO should know investment
2060	銘柄数は多いけれども別に細い部門とかは気にしないのでどちらかと言うと僕らのポートフォリオというのは <b>六-七割ぐらいはコーンツ</b> なんですすもちろんアクティブなんですけれども根本的には6-7割ぐらいはコーンツの考え方があってあとコーンツなだけけれどもコーンツの考え方に会社訪問の味付けをしているという方向性です。	Leos investment philosophy  Degree that quants is incorporated	Fundamentally quants idea is the base 60-70%	Requested distributors do not necessarily sell well	CEO should know investment
2061	実際にお客さんは100%アクティブだと言ってるしアクティブの色は強いんだけどもビュアクティブファンドなんだけれども実際の作り方というのはPBR PERとか過去の成長率とかポートフォリオの中のいわゆるパ・ラ的な考え方を全部加味しながらあとマーケットの状況とかを考えたながら大型株中型株と内需外需をどう変化させるかという判断が中心なんですよね。	Facial explanation of Leos fund The core investment decision	100% active. To consider PBR PER and change allocation between small and large equities, and between domestic and external demand related	Need to evaluate distributors' capabilities	CEO should know investment
2062	あとも一つ言えるのは日本株の構造上の問題があって日本株であと10年間1兆円になろうと3兆円になろうと勝ち続けることは簡単だと思ってます。そんな難しくなくて、アルファは3年から5年ぐらいは容易にできる。それは日本株の構造上の問題があるからで日本の時価総額上位20社ってのは半官半民ばかりでNTとか日本郵船とかゆうち銀行とかは <b>根本的に上位20社を外せばそれだけでパフォーマンスは上がる</b> んです。時価総額上位20社はトビックスに勝ったことがないんです。トビックス上位30社を非保有にすればそれで勝つんです。	There is way to show good performance irrespective of the fund size JPY1 trillion or 3 trillion  The problem with the slow growth of top 20 companies		Our product hit ratio is high	CEO should know investment

2063	なんでそうなるのかと言うと結局その日本の年金運用とかがトピックス対応型でトピックスに対してトラッキングエラーが小さいのが洗練された運用だという風に社長からリスク管理の観点からそういう風に凝り固まっているんでトラッキングエラーを小さくするためには上位30社をかなり大きくノンパフォーマンスアセットに吸い込まれる仕組みになっているのが日本の投資上の問題なわけです。	the problem with TOPIX is that top 30 companies in terms of weighting	have little growth	Need to close small funds	CEO should know investment
2064	アメリカの場合は時価総額上位のファンドが力強く上昇を引っ張っているんでAmazonとかMicrosoft、Apple、Googleとか日本の銘柄の場合はNTTとか郵船とかゆうちょ銀行とか重い銘柄ばかりが上位を占めてると三菱UFJ銀行とか三井住友銀行と経団連の会長とか副会長とか言う全員63歳以上で経団連の19名は全員63歳以上で一人も転職したことがない、就職をしてずっと同じ会社で社長になってるとすぐ常識はずれな状況になると何が常識かと言うと世の中にいろんな会社があって色んな価値観があるということも根本的には分からなくて社長になった人達が多いと三菱電機の社長になったら例えば三菱電機の社長はすごいけれども投資家という目で見ると <b>社長になってからどれだけ頑張る</b> んですかということの方が大事なんで世間的に言う個人で頑張って頑張って三菱電機で社長になったらそれだけで成功者じゃないですか。	Situation in the US  Situation in Japan  The level of growth aspirations of Japanese top companies	Top weighted stocks have the highest growth rate such as Amazon, Microsoft, Apple and Google  NTT, Yusen, Japan Post Bank or very heavy stocks have predominance.  Low as the personal achievement ends with having become a CEO	Excessive requirement by wholesale major customers	CEO should know investment
2065	そうすると構造的に社長になってから消化試合になってしまうんです。	Performance level of CEOs in Japan	Low as achievement has been done	Tendency to focus on retail rather than wholesale	CEO should know investment
2066	そうするとひふみがなぜずっと3年間のシャープレシオが10年間一番悪かった時でも700本ある日本株の中で6位というふうなパフォーマンスをずっと毎年続けてきたのかと1位から6位の間でずっとなるというのはこれは統計的にありえないじゃないですか。計算すると宇宙が一回ぐらいい生まれる確率になるわけです。それって結局二つの可能性しかなくてインテグリティを失っているか勝つ理由があるのかしらないわけです。	Statistical significance of outperforming index and within the top 6 in the past 10 years.  Reasons for the continuous outperformance  the fact of outperformance	Statistically impossible  Possible two reasons either cheating or there is secret reason to beat	Problem behavior of large wholesale customers	CEO should know investment
2067	で実は勝つ理由があってそれは何かと言うと日本の投資信託というのはほとんど99%以上非インデックスファンドでトピックスの時価総額上位の会社にステイックしているということがあるからです。結果的に言うとトピックスに対する乖離率は低いんだけれどもTOPIX 2の比率は高いんだけれども <b>時価総額上位30社というのを買っている</b> からインデックスファンドとか言うけども腐っている銘柄に投資しなければいけない話です。	The reason for the relative underperformance is investing in the top30 companies	Because most funds are quasi-index fund linked strongly	Wholesale business not profitable	CEO should know investment
2068	それが勝てる理由なんです。それがどういう風になったらそうならないですか日本の会社の社長さんが生え抜きではなくて途中から外から優秀な人が入ってきてパフォーマンスで評価されるような時代になれば世の中変わってくるだろうという風に思います。そうなるって僕らは勝てなくなるんです。たまに飲み会みたいなところに参加できることがあるんですけどその話をしているかと言うと <b>叙勲の話ばかり</b> しているんですね。そういう時価総額上位30社の人たちの参加してる人たちの脳は1/3は叙勲なんです。	When will the situation change  Major interest of leading company CEOs  CEOs mind is 1/3 focused on decoration	When professional CEOs are brought in from outside of the companies  Being conferred with decoration	Importance to retain adequate profit for wholesale	CEO should know investment
2069	ひふみが勝てなくなる時は素晴らしい時でその時は日本の夜明けなんです。だからものすごく乱暴な言い方をするとひふみというのはマーケティングと時価総額上位30社の非保有で成り立っている会社なんです。それはファンドマネージャーとして否定しているような感じなんだけれどもそれは自分が社長で運用したんでトラッキングエラーとかは全く関係ないです。それよりもボラティリティを抑えるというのが大事だという考え方なんです。僕らのファンドっていうのはトピックスや日経平均よりリスクは小さいんです。	Meaning of the situation when Leos cannot outperform any more  Importance of tracking error and controlling volatility	Ideal situation for Japanese economy	Need for asset management company brand	CEO should know investment
2070	過去何年とってトピックスや日経平均ボラティリティより僕らのボラティリティの方が落ちちゃいます。でもリターンは全然高いからシャープレシオは当然高くなるんです。それを達成した理由は上位30銘柄の非保有なんです。もちろん持っているわけではないんですけど投資してまして、三菱UFJ銀行に投資することもあるし、小型に投資することがいいことだと思っていないで銀行が根本的にはアルファを出すことが重要なのでアルファというのはトピックスに対する超過リターンをどう出すのかということなので <b>マーケットがブルの時は大型株を中心に</b> に負けないようにしておく、ベアの時には大型株を外して小型株でキャッシュにするというのが根本的な考え方です。	Leos volatility  Sharpe ratio  Portfolio constructed when market is bull  Portfolio constructed when market is bear	lower than TOPIX or Nikkei  Higher than indexes  Include large stocks  focus on small and medium stocks and increase cash	Even Kokusai Asset Management was not branded despite Global Sovereign fund's phenomenal success	CEO should know investment
2071	大型株が上がる時について行って、 <b>マーケットがダウダウンの時はキャッシュ比率は最高の場合は50</b> まで上げるようにしています。前みたいにiPバブルが来たりすると買うものがないのでパンパン打って2000年の時にジャーディンフレイミングにいた時に中小型株ファンドだったので中古小型株しか買えないしキャッシュはほとんど持てなかった時代なので身動きが取れなかった反省から、キャッシュを持てるようにして逃げられるようにしたのはそこに基本的な発想があるわけです。割と面白いと思うんですよ。	Level of cash when market is dull  Past sour experience of not holding enough cash made	50%	Absolute need for brand by asset management company	CEO should know investment
2072	一兆とかのファンドと100億とかのファンドと、100億でも日本ではおきなファンドだけど、そういうファンドと戦っているんで、決して簡単な戦いをしてるわけではないんですけど、割と総合力で戦っていて、ブランディング、マーケティング、販社のありか、解約率を減らすとか、ポートフォリオの総合力のところでも戦っているところがあるから、ダウダウンだった時にやられる可能性はあるけれども、みんなが思ってるより上手くやれるんじゃないかという風には思っています。	Difficulty of competition that a JPY1trillion fund competes with JPY10bn fund  Possible solution to save competitiveness	Very difficult but is possible	Distributors cannot be helpful for asset management company in creating a brand  branding marketing distributors reducing redemptions	CEO should know investment
2073	確かに運用しているといういろいろあるので、それは何かあるか分からない、それはよく分かっていて、 <b>運用のことに精通している</b> しというのが他の運用会社とは大きな違いなんです。	Differentiating factor	Know the fund management better than competitors	Direct sale is not in sight	CEO should know investment
2074	投信真協会の理事の末席になったんですがやってみてわかったことがあるんです。想像以上に一緒に並んでる人達はいいなだな。もっと嫌な奴がいるのかなと思ったみんな紳士でいい人だと、もう一つは想像以上に運用のこと知らないというのが例えばアセマネ ONE 場合、みずほの常務だった人がアセマネONEの社長をやりますが、2年とか3年でもうあがりになっちゃうわけです。運用会社の社長っていうのは金融グループの中のポストのひとつなわけです。それはだから西日本営業部長とかそういうのと同じようなレベルのたみみずは銀行西日本営業部長とアセマネ ONE の社長っていうのはほとんど同格かむしろ低いぐらいではないかというのだから <b>他の会社では運用の兼人が社長</b> をやっているということなんです。	New finding after becoming a director at Investment Trust Association.  CEO of Asset Management One is equivalent to the Head of Banking in the Western region.	All directors are gentlemen  All directors are amateurs	There is no advantage for individual customers to have accounts with asset managers	CEO should know investment
2076	<b>1年単したら、4分の1はいなくなっていて、次の兼人がやってくる</b> わけです。だから私の印象はもうあと5年もやったらその協会を棄てられるんじゃないかという風な感じもあるくらいしっかしっていないという感覚は持っています。みんなないくなっちゃうから私が長くやっていると必然的にはオピニオンリーダーになれるという風なことが起こってくるだろうと、間違いない吉株になって新入りに対していろいろ指導するような感じになってくるんじゃないかという風に思っています。	Extent of rotation of AM CEOs  Should I stay long, I can become an opinion leader	In 1.5 years, 1/4 of directors will be replaced	The direction of brand identity	CEO should know investment



1054	ヒットしてないファンドもたくさんあります。これはどうしてですか。全体のためには然るべくクローズしないことと経済合理性が合わないものについてはクローズしていくと 言うことが必要ですが、どうしても販社がうんと言わないとできないですから、そこ は問題ですね。サドンデスはできないので、ファンドの <b>種類によっては経済サイク ルに応じて良いファンドになってくるものもありますから2015年ごろに一回整理 をして、5年後にこのファンドはクローズしますという風に判断した</b> ファンドが 17-8ファンドほどあります。	Reluctance of distributors in closing small funds	High	Unsuccessful funds	Dissipating distributor behavior - rule of the game
1055	2020年ぐらいたると1回目の整理ができるんじゃないかというように考えてます。	Targeted date for closing small funds	year 2020	Part of unsuccessful funds to be eliminated in 2020	Dissipating distributor behavior -
1056	投資家からすると残高少ないのはその投資家の責任でも何でもないのにそれでもク ローズしないとイケないということになりますから、それは一つ問題があるというふ うに考えています。	Degree of problem in closing funds from investor perspective	High since they are not liable	Difficulty in closing small funds	Dissipating distributor behavior - rule of the game
1057	売れる予定でファンドってつくんですけどその中では当社は打率が高い方ではないか という風には思っています。	Degree of hit product ratio	High	We have better product hit ratio than competitors	Dissipating distributor behavior -
1058	販売会社があると販売会社がこれがいいよって言って作れというのがたくさん じゃないですか。	Existence of cases where distributors request us to create a fund	Yes	Request by distributors for a new fund	Dissipating distributor behavior - rule of the game
1059	それを作ったら全然売らないということがあるんですね。	Cases despite their request they do not sell at all	sometimes	Requested distributors do not necessarily sell well	Dissipating distributor behavior -
1060	だからどうなか見越して本当にこの <b>販売会社が売ると言ってるのを信じていいん だろうか</b> ということウィンドウズを見極めて懐疑的に検討しながら、その是非を判断 するということをしています。	Requirement for accurate evaluation of distributors' true intention	High	Need to evaluate distributors' capabilities	Dissipating distributor behavior - rule of the game
1061	それで割と勝率は高くなっていると思ってるんですね。他の運用会社に比べ て。	Accuracy of evaluation of the company	Relatively high	Our product hit ratio is high	Dissipating distributor behavior -
2018	で、ディストリビューションは結構重要で、直販を選んだですなぞかということ、間接 販売だと例えば野村証券や大和証券がこのファンドを売らなくなるとこの商品は終わ るわけですね。それらは彼ら商品だから自分たちでコントロールできない。	Degree of importance of distribution method Distributor model	Important AM cannot control sale	Direct sale was a choice	Dissipating distributor behavior - rule of the game
2020	SNSとかインターネットとかのシェアが高い人達です <b>SNS やインターネットでの 情報発信を中心としながら彼らが拡散しやすいような情報を流していった</b> とい うのが僕らの戦略です。結構これからこれは本質的な話なんですけどどの新聞記者もこ れを開きに来た人はいないので、成績が良いから伸びたでしょうとかマーケティング のやり方とか考え方がファンドの作り方とかで僕らの会社を調べたケースってのは0 なわけですか。	Method of approach Secret of success of Leos General perception of media as to the secret for the Leos success Level of understanding of the secret of success	Taking advantage of SNS Not known Good performance track record Very low	SNS Information spreading strategy	Dissipating distributor behavior - rule of the game
2052	だから根本的には <b>販売会社に回転をさせない</b> ということが大事で瞬発力はないです よ。僕らは解約率しか見てないで設定のスピードではなくて解約率だけを見てい ると解約率が高くなるとサービスしませんがよということをしています。ひふみ投資は 10周年なのでお客様にアンケートをすときにご自身の考えてる長期投資っていうの はどういうことですかというアンケートをしました。	Most important issue Important element to watch Conducted a questionnaire	Do not let distributors churn Defection ratio High defection ratio, no service Asking the meaning of long term investment	Look only at redemption ratio rather than subscription	Dissipating distributor behavior - rule of the game
3027	グローバルから見てもここまですべてテーマ型が多いというのは特異に見えてると いうところがあるってまだ金融庁さんのご指摘のように回転売買の温床に なるといっているところがあると思えますし我々もそれをやれば売れるというの は分かっていながらもですねやはり中期の投資でアルファを出していくとい うのは我々のアクティブマネージャーとしての仕事なんだという風に考えると 社是に合わないということでも一線画すということをやっていました	Theme based funds in the eyes of global HQ Demerits of having theme based funds Corporate philosophy	Strange encourage churning Providing alpha from long term investment	Views on theme based funds	Dissipating distributor behavior - rule of the game
3032	後はとりあえず一旦この辺で言いたいことは大体これで一段落しましたので手 数料のレベルについてですが手数料のレベルは金融庁さんも <b>日本の手数料のレ ベルは高すぎると</b> おっしゃってますが販売会社さんと運用会社の方で大体同 じぐらいを取るという慣習については必ずしも他国を見るとそういうわけでは ないですしやはりすぐこれが邪魔してるんじゃないかなと思うのは販売手数料 のところで2パーなり3パーになり取るといってどうですか	Appropriateness of fee level	Too high for an upfront (2-3%) sales commission Too much allocation for distributors	Level of fees	Dissipating distributor behavior - rule of the game
3034	大手の証券会社さんの方も <b>アップフロントの手数料収入に頼らない形にしない といけない</b> というところでも例えばラップとかですわねそっちの方に掛け声かけた 時期はありましたけれども後はまた中央集権的なやり方ではなくて支店長に任 せるんだということでも舵を切った会社もありますけれども結局そうするとす ね業績が落ちるといって起こることで結局耐えきれずに元に戻るとい うことを繰り返してらっしゃる感じがあります	Large securities houses efforts to depart from the reliance on large upfront sales commission Large securities houses efforts to let branch managers decide	Sporadic and not long lasting Did not work as income declined	Securities companies efforts to depart from heavy reliance on upfront fees	Dissipating distributor behavior - rule of the game
3035	やっぱりアップフロントについてはこれは失うと相当業績に響いてくるので同 時にバイが急拡大してアニティのレベルの収入が増えるというのが同時に 進まない限りはどうしてもまた逆戻りになってしまうところなんですわね販 売会社さんの経営も難しい問題を抱えながらやってらっしゃるなという感じ ですか	The chance of reducing large upfront commission	Difficult unless continuous trailer fees increase dramatically all of a sudden	Securities companies efforts to depart from heavy reliance on upfront fees	Dissipating distributor behavior - rule of the game
3036	後はこれも金融庁さんのご指摘にありますけれども日本ですとそのファンドの 保有期間が短いところがありますけれども回転売買があるからその通り だと思えますしあとはファンドの数も多すぎるとか後はマンモスファンドみた いなものが少ないと数がいっぱい持っているということの裏返しですけども それは思っています	Fund holding period Number of funds Very large scale funds	short Far too many Very few	fund holding period in Japan	Dissipating distributor behavior - rule of the game
4016	販売会社に頼っているとマーケット環境が悪くなるとも売られてしまうということが あるわけですがこれを長い目で見て良いファンドでも残高が落ちてしまうとそういう 見捨てられてしまうようなことをどういうふうに考えていらっしゃいますかそれは大変 残念に思っていますファンド提供している側はメーカーと同じですから少品種のもの が長い間沢山売れるのが一番効率がいいわけですね。	Distributors action when market is sour The feel of AM when sold The ideal business style	Recommend to sell the fund Feel disappointed Small number of products with large size	Dissipating distributor behavior	Dissipating distributor behavior - rule of the game
4017	多品種のものを少量作って置いてそれがゾンビのように残っているというのは、それ がずっとコストがかかってきますからよろしくないで、その現象自体はとも残念 です。ファンドの販売現場にそうなるようなメカニズムがもうすでに入ってしまっ ているので販売会社の方ではもう販売手数料を頭で3%とりますとこれに対してレ ーラーは0.5%ぐらいということになると、1回売ったらレター6年分の利益が入 ってくるということなので販売側にとってみればその販売収益でのほものすごく大きい ので資産が回転したほうがいいわけです。	Degree of appropriateness in having a large number of funds with small balance The cause of large number of small funds	Very inappropriate Built into the fee mechanism	The problem with the fee mechanism	Dissipating distributor behavior - rule of the game

4018	販売する側と、購入する側の情報の非対称性が極めて大きい訳です。ファンドがパフォーマンスが少し落ちてきたりするとじゃあもう乗り換えしようよとかという話になるわけです投資家の方はそれにドライブされることが多いわけですがこの0.5-0.6%という比率がある限りやっぱ回転をさせたいというインセンティブは間違いなく働きますね	Cause of the problem in selling the funds	Information gap between investors and distributors Investors do not have knowledge to question distributor's recommendation to sell	The problem with the fee mechanism	Dissappointing distributor behavior - rule of the game
4019	それを被相させるために直販を始めるとかいう考え方はおありになるのですか常に頭の中にはありますこれはまた例えが悪いかもしれませんがどの商品の世界もそうだと思いますがフードチェーンの一番でっぴんに立っている人たちがいると思うんですね投資の場合は販売会社が一番でっぴんで我々のような製造元と投資家はそれよりも下位にいるわけです	Manner of hierarchy of fund industry	Distributors at the top AM as manufacturer and investors below them	Hierarchy of fund industry	Dissappointing distributor behavior - rule of the game
4020	そのトップにある人たちが物事ルールを決めてドライブしているのと彼らのやりたいように我々もある程度迎合しないと売っていただけませんから昔ダイエーが消費者革命やりましてその前はメーカーが強く、販売元があって消費者がいる。ダイエーが登場したことによって消費者の地位がバーンと上がってメーカーの地位が相対的に下がった。これは何故かというところ、値段にしても品質にしても消費者が意識して選ぶようになってメーカーの地位が下がったわけです	The people who set the rule The rule to follow The case of Dai-ichi consumer revolution	Distributors Follow the distributors' rules Consumer came on top and manufacturer stepped down since consumers started to select goods	Rule of the game	Dissappointing distributor behavior - rule of the game
4021	投資信託はまだその販売リテールのところがまだ強くて消費者にあたる投資家の啓蒙が進んでいないのでこの人達にコントロールされているんですね。これが変わらないとなかなか変わらない。	The reason why revolution does not occur for AM industry	Low level of investor literacy	Cause of the problem - low literacy of investors	Dissappointing distributor behavior - rule of the game
4034	この苦しい状況を生きたファンドってのは大事ですからただ海外からはこのファンと思う何とかならないかできないかなんてことを言ってくるんですけど言うこれは景気サイクルのものだから一旦クローズしたらまた作らないといけないのでもまた作らないといけないのであれば今のファンド持ってた方がいいだろうということに説得をするんですがなかなか理解してもらえなかったですね	Degree of stupidity in asking to close fund which needs to be retained	Stupid	First order themes Head quarter stupidity	First level category Fund cost/benefit balance
4035	同じような状況のことを我々をやっています海外での計数管理をやってらっしゃる方々はそれが仕事ですから みなさん同じような事やってるわけですね今営業員関係は何名ぐらいいらっしゃるんですか30名ぐらいですかそれはチーム分けになるわけですか販売会社に採用してもらうだけのための営業部隊となぜ採用されたに拡販をする部隊これが一番重要になってますね	Number of sales staff Manner how sales team is formed	30 Promotion for fund to be taken up by distributors and Education of sales staff of distributors	Sales team	Fund cost/benefit balance
1038	投資ビジネスでは言えばこうゆう親会社の制約のないみなしごハッチのアイデアの方が世の中にはウケるといことがあります。そういう意味ではいい商品さえ作れば入れられる余地は前よりは広がってきたので、追い風が吹いているというふうに思っています。	degree that innovative product is accepted by customers	getting higher	Good and innovative products could be well received by retail customers	Good fund products can sell
3000	機関投資家のビジネスですと若干バイの奪い合いという要素もありますがリテールの方はご案内のようにまだまだ50%が預金にある中で投信は全体の中で10年前の3パーから6パーになったように見えましたけれども日銀の統計のミスにより実は4パーだったと10年前の預金は52%で今51%、投信の方が3パーから4パー10年かけてこれだけしか変わってないとかこれだけ貯蓄から投資へという掛け声があったにも関わらず現役をされていた頃と今は大して変わってないと思うんですね	Pace of change of AM	Very slow from 3% of individual assets to 4% in 10 years	Slow pace of individuals for investment	Investment trust market analysis
3010	ただこれから10年を考えた時に過去10年とこれからの10年は同じペースかと言うとそうではないかと思っていて政府の方もいよいよ本腰を入れてきて顧客本位の業務運営の名のもとにですね クリテカルベースで自分達の業務を見直すという方向で流してみたり入れ子であったりニーサであったり金融の啓蒙になるような施策を打つことをやりますんでこれから変わっていくだろうと思えます	Next 10 years pace of change Reason for the faster change	Faster than before Government initiatives	Next 10 years change will be faster	Investment trust market analysis
3011	まだこれから10年ものすごくドラスティックに変わっていくのかと言うとアメリカのようににはならないという風に考えてましてなにかと金融庁さんの論調を聞いてるとですねアメリカ型に近づくために日本は何ができるのかということばかりを言っていることが多いですけどもETFもしかりで、ファンドの数であったり IFA のモデルであるとかというところは私は未だにそこは違和感がある	FSA focus FSA focus to catch up with US	to catch up with US could be wrong	FSA focus to catch up with US	Investment trust market analysis
3012	米系に勤めておきながらというところもあるんですけどもやっぱり大陸ヨーロッパのビジネスモデルというのが日本の近未来だろうというふうな思っているのはやはり直接金融間接金融という文化的な背景もありますしリスクに対する考え方というの向こうはアメリカンドリームとかリスクを取って成功することをよしとする投資で儲けるお金もよしとするというのに対して日本ですと投資で儲けたお金と言うとちょっとあふく銭的な感覚がありますし、汗水たらして働いたお金とは違うという考え方もあると思いますしあとはまあ証券会社が株屋という風に言われてしまっていることにも象徴されますけれどもやはり日本の金融は間接金融というところがあるのでまあ大陸ヨーロッパはそういう部分がありますからそこをもうちょっと国として研究をしていく方が近道なのではないかと思っています	Future model of Japan Japan financial system	Europe rather than US Built on by using indirect finance	Future model of Japanese AM is European model	Investment trust market analysis
3013	実際お金とかリスク性商品の個人資産に占める割合を見てもですねちょうどアメリカが15パーが預金であるとしてヨーロッパは35%ぐらいですしょうと聞きますからまあそういう風に思っていて営業全体で年に1回集まる会議があるんですね今年もヨーロッパで行われるんですけどもその時にヨーロッパの投信のヘッドをしている人間とこの前ロンドンでいろいろ話をしたときにヨーロッパの中でも日本とドイツとイタリアってビジネスモデルが似ていて日本のビジネスモデルと似てるねという話になってですね	Deposit ratio of US Deposit ratio of Europe Deposit ratio of Japan Business model of Germany and Italy	15% 35% 52% Similar to Japan	AM business model of Germany and Italy is quite similar to that of Japan	Investment trust market analysis
3014	この日独伊の三国の営業で全体の会議でせっかく世界中の営業が集まるんで特別に小さな会議を持ってベストプラクティスをシェアをするということとを来年1月にやろうと思っているのでもし第2回目のセッションが1月以降であれば私の聞きたお土産話ができるかなというふうな思っています	Plan to hold a tri-country meeting	in January 2019	Plan to hold a tri-country meeting in Jan 2019	Investment trust market analysis
3044	後はグローバルからのプレッシャーというところから言うところの日本のビジネスというのがなかなか大きく伸びてこないこれだけポテンシャルがあるというのが言われ続けていてところですねこれをやれば売れるというのは分かっていながらもこれは 社風に合わないからということでやってこなかった訳ですからまずそれはフラストレーションがあって	The expectation of growth in japan The pace of growth of AM business in japan Reason for slow growth Level of frustration	High Low Not surfing on the fashionable trend High	Growth of AM business in Japan	Japan business potential
1008	我々としては事業としてはそういう、ホールセールの顧客に向けてどういう商品ができるかということで最初作り上げたのがキャットボンドファンドです。	customers of Carbond fund	wholesale	wholesale customers were initial target	Liberal culture (challenging diversified culture not pursuing)

1010	私もモザンビーク、バブアニューギニアに行って色々研究をしていましたが、まあただの旅行に終わりましたが、そういう間トライアンドエラーを比較的自由にできる風土があると当時の社長は大場というものでしたが本当に物になるのかと言われながらまあ見ておいてという風な自由なチャレンジの大雰囲気がありました。	corporate culture	free & challenging	Fund idea exploratory research trip was admitted	Liberal culture (challenging diversified culture not pursuing)
1011	そういう自由度がすごくありました。ただ森林ファンドについては8年間収入がなく、8年後の紙パルプの市況がわからないのでお客さんはそういうリスクが取れないので、日本製紙に比べて8年後の紙価格のリスクを握れないかということいろいろ話をしたんですが、難しかったです。	degree of freedom	very high	Liberal culture	Liberal culture (challenging diversified culture not pursuing)
1019	まあ会社の中には一番 <b>自由度がありました</b> ですすぐ結果を求めるということがなかったのがすごく良かったらうという風に思います <b>常にチャレンジをどどんやっつていこうという雰囲気</b> はありました。	degree of demand for results challenging spirit	low high	Culture not to demand immediate profits	Liberal culture (challenging diversified culture not pursuing)
1032	今の二つの話と実は本当に我々は <b>ミックスカルチャーなんですよ</b> ね <b>ダイバーシティ</b> が進んでいる。	degree of cultural mix	high	Highly mixed culture	Liberal culture (challenging diversified culture not pursuing)
1033	東京海上の名前付いてるけど東京海上の意向者は8%しかいませんし、ほとんどが中途採用と言うかいろいろなところから来た人たちなわけですよ。	degree of uni-culture	low	Employees sent by parent are just 8%	Liberal culture (challenging diversified culture not pursuing)
1034	従って <b>カルチャーばらばらでみんな勝手なことをやっていると</b> いうところで、何が生まれるかという話になっているという事です。それが会社の特徴だと思います。	degree of individualism	high	Everybody is independent and doing one's own things	Liberal culture (challenging diversified culture not pursuing)
1035	もう一個はもともと昔は色んな会社が投資顧問から投信の方に移ったわけですが余りにそちらに行きすぎてしまってもよくないと思うし。けれども当社はそちらで投資顧問の色彩がかなりまだ残ってる感じが強いという風に思っています。	management delineation toward retail	should be well balanced	The wholesale culture still remains rather strongly	Liberal culture (challenging diversified culture not pursuing)
1036	他の会社聞いてみても、みんな投資顧問の方は落として投信の方に軸足を移してるといのが主流ですけども、我々のかかわり見れば <b>投資顧問のそういうよさと言っか、新しいものが生まれやすい土壌があって、それを許容する文化</b> があったのかなという風に思います。	Tokio uniqueness to value institutional business	Unique	reason for the success was the wholesale expertise to create new products and culture to foster it	Liberal culture (challenging diversified culture not pursuing)
5046	証券会社の文化ってのは情報共有はしないという文化がありますが我々はまあ情報共有という文化は当社にとっては生保系だしその辺りの考え方はかなり違うと言うか <b>チームで受けても情報を共有する</b> かしないかということになるとそこは少し違うかもしれないということがありますがまあどちらがいいかわかりませんが難しい問題の一つとしては英語の問題があります	Level of information sharing between staff for securities companies Level of information sharing between staff for securities companies	Very Low	Culture of securities company	Liberal culture (challenging diversified culture not pursuing immediate profit)
6026	御社の全体的な組織的に普通のところは違うかなという風な点はおありになりますか私どもの場合は系列と言うか資本の系列はあるんですけども人は全く人事交流がないんですよこれは親会社は三井住友信託ですが一人だけですて来てるのは昔の日興証券のあれもありますけれども <b>日興証券の出身者の比率はせいぜい1割とかのレベルでほとんど途中から入ってきた人たち</b> で後は全体で800人いるんですけども半分弱ぐらいは海外にいて後は4割ぐらいは外国人なんですそういう意味ではあまり純粋日系のカルチャーとは違う	Extent of human exchange with parent Mitsui Sumitomo Trust and Nikko Securities Total number of employees Profile of employees Similarity with Japanese culture	Just one from Mitsui Sumitomo Trust and 10% from Nikko Securities 800 50% in overseas, and 40% non-Japanese Low	Like foreign asset manager	Liberal culture (challenging diversified culture not pursuing immediate profit)
6030	人事制度もそういうわけで全然違うんですけども人事制度はほぼ外資と一緒に感じてす人のターンオーバーはある程度あります中にはクビになる人もいるしそういう意味ではかなり建付け違ってるかもしれないね 組織的にいことは人事異動があまりないので商品を考える人たちはずっとそれを考えてる人達なので準備できてない人達が急にきてやっていると風なことはないです採用は中途しかないの海外のビジネススクールを出た人は新卒生は新卒かもしれないんですけどちゃんと訓練された人間じゃないのそれは割とやりやすいですね	Degree of difference from Japanese HR system Extent of difference Advantage of HR system Degree of easiness to work with colleagues	Entirely different High turnover and existence of dismissal Few transfer between departments Easy as all are professional	HR system	Liberal culture (challenging diversified culture not pursuing immediate profit)
6031	カルチャーとしてはみんな自由に意見をいうようなカルチャーになっていますプログラクは東京が一番大きいんですがシンガポール・ロンドンに比べてこれが全て横に <b>function</b> でつながって私の所にレポートしてきてますのでもちろんローカルのレポートラインってのはそれぞれの店長に対してあるんですがもちろんそれぞれのローカルでの商品シンガポールはシンガポールでの商品と 運用もバラけてますんでかなり <b>横に繋がって一緒にやる</b> のでそういうことを考えます結構海外も含めていろいろ話をしますね	Degree that everybody expresses views freely Variety of views amongst Tokyo, Singapore, Sydney and London	Free Quite a variety	Corporate culture	Liberal culture (challenging diversified culture not pursuing immediate profit)
6032	香港にはシンガポールから出向する形で一人置いてますけれどもまあ海外からは相当程度をとんちんかんな話も含めていろいろ入ってくるんですけども刺激は結構ありますね 商品に関して口出しをするのは商品営業あとまあ社長とかまあ社長とかは色々話を人に会ったり話をしたりすると横から話降ってきたりということがありますね	Extent of information from overseas Degree of stimulus Other interventions	Quite a lot High CEO from hearsay	Information from other sources	Liberal culture (challenging diversified culture not pursuing immediate profit)
3050	デ我々の品揃えはほとんどアルファを出すものばかりなんですけど実はベータの方もちゃんとやろうということで US の方では ETF も10何本かたっていて、ヨーロッパの方でも何本かたっていてアジアどうする ますやるべきことは海外で上乗されている ETF を日本に持ち込んでやるということになると思うんですけども <b>ジャパンドミナリ</b> の ETF も考えるという時期もくるかもしれません	Active/passive preference Kind of initial passive attempt Chance of having passive ETF in Japan	Consider passive Import US and Europe passive funds Possible in the future	Active/passive preference	Marketing strategy
3051	そういう風になった場合にディストリビューターさんはずの ETF を売ってもアップフロントほとんど稼げませんから我々それをそこは我々が直にやり始めてもコンフリクトはないと思うんです なので <b>ローファイアルファ</b> のものおっしゃるように横立のように売り方の的を絞ったものだったらあり得るのではないかなという風には思っています	AM/Distributor conflict for ETF Possible direct sale type	almost nothing ETF, small monthly saving type	AM/Distributor conflict for ETF	Marketing strategy
4036	それからうちの商品の説明したりレポートを出したりするチームの3チームがあります 真ん中のプレゼンターが最も多いんですけどまた教えが先行してかなり大きしたので別にうちで増えたわけではありません	Ways to categorise Sales team	Product proposal, presentation and education, and fund manager support	Sales team	Marketing strategy
4037	金勘平の森長官が通達を出された時にもうこれでファンドを作っては壊して壊してという回転売買をする時代が終わりにつつまあるかなという風に考えて新しいファンドを持ってって <b>どんと IPO</b> 行ってしまう風なことがなくなると中心になるファンドを色んな所に長く売ってもらうという方向で考えないといけないので人の配備をファンドを売り続ける人たちに傾斜させるということでの人達を増やしたという経緯があります	The manner FSA move triggered the change in sales team deployment	Less new product proposal, but more product maintenance	Sales team shift	Marketing strategy

4009	特に外資系の場合は販売会社と資本的つながりがないので長年資本関係にある販売会社が資本関係にある運用会社の商品を売るとするのは8割ぐらいを占めていて残りの2割ぐらいの所を外資系が狙いところでシェアの争いをしていたということが長かったんですがこれは販売現場の方がオープンアーキテクチャー化ですね、いいものを売ればいいんだ系列関係ないんだという風な売り方を徐々に始めたのでその8:2の割合がその2割が少しづつ大きくなってきて最終的な理想的には良い商品を提供するところがシェアをとると国内海外関係なくというのが理想なんですけどそういう方向に少しづつ近づきつつあるのでとれんどうしては我々にとってはありがたいというふうに考えています	Impact of open architecture on change of keiretsu behavior How the change is perceived	Keiretsu funds accounted 80% of total in the past. The rest 20% used to be the ground for competition Favourable	Open architecture impact	Open architecture
3001	私は jp モルガンに入って24年間になりますが基本的には MARKETS の方に証券の方にいたんですね3年前にこちらに来ました	Past experience of CEO	Markets for 24 years with JPM	Past experience of CEO	Others
3002	今3年ちょっと経ったところでですね改めてフレッシュアイでこのビジネスを見て色々思うところはあるということなんですねですけどもセルサイドからバイサイドに来てですねクライアントの皆さんからはずいぶん変わったということを言われるんですけども私はいつも変わりませんという風に答えています	Level of change in the past 3 years Sell side/ buy side difference	Nothing A few thoughts on it	Change in the past 3 years	Others
3003	なぜならセルサイドバイサイドといってもですねクライアントのために仕事をしているという意味においてはクライアントビジネスやっているので本質的には変わりませんただ違う部分があるとすればお金の儲け方が違うなところですねマーケットのビジネスの時には何か思いついて提案してネゴして色々あってマンデートをもらってDoneと言った瞬間に全てのプロセスが終わるわけならそれは収益がそこで全て確定するからですねその後バックオフィスに書類を投げてまた次の案件に向かってというのを同時並行的にやっているというマーケットのビジネスに対してプロセスは同じなんですけれどもマンデートをもらったところでそこで終わりでなくてむしろそこから始まりだというのがこのビジネスの特徴であって何故ならばその時点で収益がゼロだからであってこれから収益をあげるためにはいかに長く持ってもらうのかというのがレベニュージェネレーションにつながる訳ですからバックオフィスに投げるのが終わりではなくてそこからクライアントとのタッチポイントなのでそこを含めてレベニュージェネレーションなんです	Similarity between sell/buy side Difference between sell/buy side Manner of sell side business completion Manner of buy side business start Reason for the difference	Both are client business Timing of cash income recognition When a deal is struck when a deal is struck When the cash income flows in	Sell side/Buy side difference	Others
3004	一番シロリッパだと思ったのはミドルオフィスのファンクションですね。マーケットにいるとバックオフィスの中にあるんですねフロントがあってミッドバックが一つの塊であって こっちだとクライアントサービスと名前が変わりますけれども フロントの中にサービス部門があるという意味ではミドルオフィスはこちにあるんだなというのが大きな違いだという風に感じていますもう一つ違いとして感じているのは同じ金融ではあるもののメーカーの仕事をやるような気がするんです	Position of Middle office function Position of Middle office function Similar feeling in doing AM business	within back office for Markets Within front service for AM Like a manufacturer	Sell side/Buy side difference (middle office)	Others
3006	だからこそ自分の商品を磨いていかないといけないという意味ではメーカーに近いんだろうなというふうに思います自分の商品を心から愛してそれをエンハンスして行ってそれが世の中にとって価値あるものなのかということを常に問い直していくと言うかですねそういう部分があるので製造の工程から販売の過程からそれぞれメンテナンスマネジメントも含めてです	Buy side products Buyside process	need enhancement for better market reception includemanufacturing, sale and maintenance	Sell side/Buy side difference	Others
3007	同じ金融の中でも一番 <b>メーカー色</b> が強いなと思っていてそういう意味で言うと事業を営んでいるという感覚が一番持ちやすいのがアセットマネジメントなのかなというふうに考えています	AM characteristics	Like doing business	Sell side/Buy side difference	Others
3008	後は伸びしろがこれからのものすごく大きいだろうなというふうに感じていてというのはマーケットのような業務であるとかパイの拡大というよりもシェアの奪い合いの感覚があるところもシェアが気になることではあるものの <b>如何にパイを大きくしていくのか</b> というのがディスカッションの軸になるのでそのパイが大きい中で仕事ができるというありがたみを改めて感じているところです	Size of business	zero sum game for market expandable for AM	Sell side/Buy side difference	Others
5022	ただ AI ですとか自動運転とかですねそういうテーマでやってきて AI というのは汎用性が広いと思ったので今売れ筋でいえばフューチャーバイオと言う目興さんに降ろした商品がありますけれどもこれはディフェンシブだったのでたまたま良かったんですけどもこういうマーケット環境の中でディフェンシブ株なのでまだ運用もしいしまあ何しても我々の場合は外部委託の商品が半分ぐらいになりますのでそれは自社でできる範囲と外部委託というのを切り分けるを得ないという部分があって割り切ってやってるところです	Degree of universal application of AI? Degree of universal application of future biotechnology?	High High	Defensive / Active difference	Product idea generation
4014	それを営業の担当が販売会社に説明をしていて刺さるかどうかっていうことを確認しているところと <b>営業の中でそういったプロダクトアイデアを作り上げるリーダーシップを持った人という人も何人か</b> いてその人たちがそれぞれの営業に対してこういうのがあるけどちょっと行ってみたいという風なアプローチになるんですねそういうパターンもあります	Behavior of capable staff with leadership	check with distributors for views and discuss with colleagues to encourage approaches	Behavior of capable people	Product idea generation - capable individuals
6006	<b>そのプロダクトの担当は色々勉強したりとか人と話をしたりとかして情報ソース情報を取ってるといって形になっていきます後は社内での営業の人間はお客さんと話をしていますからお客さんのそういうのを組んで営業と話をするとかがありますねレギュラーで会議を持つというのとかかなりの頻度でやっていますのでそこでも出ることもあるし個別で社内でいろいろ話をすることもあります</b>	Source of ideas Frequency of regular product meetings Frequency of informal discussions	Self study and discussing with people Talk with sales staff Many Occasional	Source of ideas	Product idea generation - communication
6007	会議の頻度としては決まってやっているのは週3回これは開発だけではなくですけども色々お話をしている場はそれぐらいありますそれは営業と商品の人たちの会議ですけども同僚者がいることもあります	Frequency of regular product meetings Participants of the meeting	3 times a week Products and sales teams and others	Regular product meetings	Product idea generation - communication
6008	海外からの情報ソースとしては運用の拠点で例えばグローバルエキティですとエジンバラでやりますしグローバルフィクストインカムはロンドンでアジアの株はシンガポールで全部はらけてますのでやってくる人たちも全部ローカルで日本人はあまりいないですからですから彼らは彼らの見方で色々お話をしてくれはどうかというところで話をしています	Source of information from overseas Staff nationality overseas	Global equity in Edinbarah, Global Fixed Income in London, Asian equities in Singapore Few Japanese staff	Diversified overseas branches	Product idea generation - communication
6009	ビデオ会議を含めて頻りに国際会議をやっています週3回というほど多くはありますが海外との会議もまあ既存のファンドがもう走ってますからそのアップデートとかを日常的にやっているのそのついでにということの話がよく出るんですが <b>あんまりフォーマルではなくてインフォーマルにやる機会には既にかなりある</b> のでそんなに決まらずに行っているという形になっています	Frequency of international video conferences major topic to be discussed Nature of meetings	Not as frequent as 3 times a week Status of existing funds More of informal	International video meetings	Product idea generation - communication



4015	逆に販売会社さんの方からこういうのを探していると思うんだけどオタクはなんかないのかっていう照会があってじゃあ探して見直しますということでも <b>難を難題</b> することもあります	Manner of process in origination of idea	from distributors to check if there is any fund available	Different pater of idea generation	Product idea generation - communication -
5029	<b>AI</b> に関しては <b>先ほど</b> 松下が <b>申し上げましたけれども非常にその裾野が広くてまあ産業革命とかそんな大げさなものではないですけれどもそれなりにそのパラダイムシフトをするようなそれなりの影響の長いトレンドを有するものであろうと</b> いった形の中でこれはそのテーマとしてはテーマではあるけれども <b>十分な構造変化を伴うものとして提案できる</b> といった形での場合は <b>主要販売会社さんである銀行監事さんの方で最初立ち上がりましてけれども提案するような形になったという経緯です</b>	Degree of paradigm shift required to be a sustainable theme Degree of paradigm shift. AI is expected to bring	High High	Sustainability of the concept	Product idea generation - concept
5030	2本目は足元フィンテックですかね3本目4本目もバイオとか今検討中でそう思ったちょっと若年層がちょっと興味を持ってくれそうなのというもので尚且つその本当にテーマ的な利便的なものでないものもできないかも運用自体はライトな感じですが考えています	Range of Innovation index series	AI Fintech and Bio With long term structural change and growth	Innovation index series	Product idea generation - concept
5030	今入っているのは <b>ミレニアムを何とかしよう</b> という考え方があるんですがミレニアム世代に対して訴求できる商品アイデア。若いやつは金がないと一蹴してやるけどそうではないと、間違えて資産移転は起こって、生活のベーシックな部分は我々とは全く違う考え方を持っていて消費性向の強い世界中のハイブランドってのはもうミレニアム世代対象に切り替わっているわけですよね誰にも年寄り相手してない。	Nature of Fund for Millennial generation	Fund should look at Millennial generation consumption patterns	Millennial generation	Product idea generation - environmental change
5031	にもかわらず金融界というのは全くそこは対象としていないこれはいかんぞと毎日チェック言っているんですが3年後5年後金融ジェロントロジーで家もそうやってますからもきりになんてすけれども例えばもうベイビーブーマーの昭和20年代生まれの人はもうすでに73歳で平均年齢80ということももう半分はなくなるということなので70で亡くなる人と90まで生きる人の比率で考えると70で亡くなる人の方が多いわだからそうすると資産移転は間違いない起こるとその問題は2次相続のミレニアム世代の女性の方が問題でこれが一番難しいところだと	Baby boomers average age Life expectancy What will happen	73 80 transfer of assets from baby boomers to millennial generation	Asset shift from Baby boomer generation to Millennial generation	Product idea generation - environmental change
5032	これは一般に口座のある金融機関の問題なんで我々からしてみればそこで運用商品が増えるということではなくて違うターゲットは本当はあるのかもしれないと5年たったら逆に大きく変わるかもしれないとファッション界を含めて今最も流行っている映画はクレイジーリッチアジアですからそういう世界で言うとしど変わってくるかもしれないのもっとそういう何がいいのかと言うと難しいですけども商品なのか見方なのか言うことを含めてよく検討してくれという風に言っています	Possible range for consideration	Envisioning millennial generation interest is key It could be funds, ways of thinking	Millennial generation products	Product idea generation - environmental change
5033	それはもう違う視点の話で毎日すり込んでおかないと突然なんかほらみたことかという風なことが起こる可能性がある 今松下が申し上げたミレニアムというところで話をチェック言われるところがありましてまあそれだけではいいんですが現場そのイノベーションインテックスシリーズと称してまして先ほどその <b>イノベーションの所に構造的な変化を伴う単なるテーマではない成長というものがある</b> と申し上げたんですけども	Difference between mere theme and innovation	Innovation include constructive change with growth	Innovation index series	Product idea generation - environmental change
6033	後は日本ももっと DC が大きくなってほしいなというのはありませんねやっぱり DC が基本だと思うんですけどねあれがちゃんと個人の貯蓄形成の真ん中になんてなかなかないうう月々の天引きっていうじゃないですか時間分散もできて長期投資もできてますからそういうので成功体験とっていろいろを体験してもらわないと日興は直販はやっていません考えも今はないですか前にやりましたけれどもかなり前に止めてます理由はそんなに売れなかったということがあったと思います	Desire for DC to grow Benefits of DC Degree of past success of direct sale Reason for the closure	large time allocation and long term investment Not successful at all & closed down Did not sell well	Expectation for DC	Product idea generation - environmental change
3060	AI はちょっと言葉が一歩歩きているというのが正直な印象ですけども AI で運用するというところに関しては例えば GSAM さんが AI ファンドをやったらっしゃるとかありますけれども本当の判断ということも AI でやるというよりもセルサイドの何千万あるようなレポートを Natural language 解析してトーンの分析をすとの読む手間を機械に読ませているというのが実は本当の姿ですよ	Expectation for AI Extent of usage of AI	Higher than its real application is not judging the fund management but natural language analysis of tens of thousand of reports to read the trend	Usage of AI	Product idea generation - feasibility
3061	本当に機械が判断するという所に行くにはもう少し先なのかなと思いますしそういう部分でいうと我々が運用するものに対して AI が判断するところかなと思っていてこの前人に聞いた話ではこれいいなと思ったのは AI じゃなくて IA だとそういうこと言っている人がいてですね	Maturity of AI development for fund management	Far too soon	Usage of AI	Product idea generation - feasibility
3062	目指すのはAIではなく <b>インテリジェンスオーグメンテッド</b> だ。私はよく社員に話す時にロボティクスのコスト取ってきたから自動化したいところどんでアイデア出してんでいうと結構出てこないですねあんまりこの部分で5分とかこの部分で3分とかすごく細切れなことを言うんです	Direction of AI development Result of AI application idea request	Not artificial intelligence but is intelligence augmented Very fragmented and small impact	The reality of AI	Product idea generation - feasibility
3063	それロボティクスがやりたいことではなくてその程度の事っていうのはマクロを組めばできてしまうような話だったりするんですね なぜそういうアイデアが出てこないって言うかと言うとそこには二つ理由があると思っていて一つは <b>テクノロジーが何ができるのかというのに対しての想像力が欠けている</b> からというのとあともう一つはやはり <b>自分が見てないと怖い</b> と感じるところだと思います	The nature of proposal Reason for the fertility of ideas	not really AI but is something covered by current Macro program. Lacking in imagination Feel fear if he or she	The reality of AI	Product idea generation - feasibility
3064	自分が見てないと怖いというところはじゃあどうするかと言うと機械に任せるのはどうということではなくて <b>自分をサイボーグ化</b> するとして、どの部分をサイボーグにしたいかと言う言い方すると結局自分が全部見ているという前提の中でアイデアも少し出やすくなってくるんですね	Way to facilitate AI application idea generation	Ask where of your body you would like to use AI	The reality of AI	Product idea generation - feasibility
3065	これが intelligence augmented というのはまさにそういうことなのかなと思っていて、そういう観点から業務効率化を含めてまさにやっていきたいと思っていて当社でまさにAIが活用できているのはトレーニングのところですね	Successful AI area	Training	The reality of AI	Product idea generation - feasibility
3066	今セルサイドの方でアルゴリズムのトレーニングが流行っているますけれども <b>この相場つきたどの業者のどのアルゴリズムが一番効果的か</b> というのをマンシラニングして教えてくれることになっているんでトレーダーはそのシグナルを見ながら売買を変えていくんですねそういうことは AI にやらせてます	Area of AI application	Selection of algorithm in trading as to which algorithm is the most productive under a certain market condition	The reality of AI	Product idea generation - feasibility

3067	でもポートフォリオマネージャーの根本的判断のところは我々は任せてないところになってます営業の方でもAIとかビッグデータってのは本来使えるはずだという風に思っているんです	Usage of AI for fund management Possible application area of AI	hard to rely on AI For sales promotion by using AI and big data	The reality of AI	Product idea generation - feasibility
3068	今NYのほうで開発が進んでいるのは有象無象の IFA さんたちを我々は抱えているわけですね IFA さんの行動分析をするという風な話で当社の Web のどのサイトに何分滞在頂いてその後ここへ行ってこういう資料請求があつてとか行動分析をするという行動する人にはこう言う運動を推奨すれば売ってくれるとかっていうのがエンピリカルに見えてくるのでその一歩手前にいる IFA さん達に我々の方から能動的にアプローチをしてこれはどうですかということをやります	Area under development in using AI	IFA action behavior analysis. A certain behavior will trigger similar next action and thus our certain action can produce better results.	The reality of AI	Product idea generation - feasibility
3069	この技術はコンシューマの世界では当たり前なんですこれを日本で jp モーガンセットがやろうと思っても持っているデータというのはあくまで販社さんの営業の人たちになっていくのでそれはなかなかデータ化できないのであるんだとしたらそれは銀行とか証券会社さんの本部が支店の皆様のデータを一括管理して支店の成績バジェット貼って足りないときにお尻を叩くようなものをこれをもう少しですねこういうアプローチが本来できるはずじゃないのかと AI を活用してやったりすると価値の創造になるということとそういうことやっておられますかというのを販社に接待のときに聞いたりするとそこまではやっていないということのようです	Level of difficulty in applying AI in japan The analysis of distributor individuals behavior	Difficult as our data is that of our distributors could be done by distributors themselves but they do not use them	The reality of AI	Product idea generation - feasibility
3070	やはり日本というのは遅れてるんだなという風に思ってますさき冒頭で申し上げたやっぱり金融の中で我々最もメーカーっぽいというお話をしましたけれどもメーカーの方が進んでる事っていっぱいあると思うんですよ例えばビジネスプラン立てる時に金融っていうのはどうしても3年がマックスですね10年20年先のことで本気で考えて本気でやって考えてやってくるかと言うんですけどもそれ相場次第だねとかそういう部分があるので考えてないと思うんですよ	AM as manufacturer could be advanced	in thinking long term for business planning but upto 3 years as market volatility does not allow long term plan	The reality of AI	Product idea generation - feasibility
3071	でもメーカーの皆さんっていうのは世の中の変わり方とかを本当に考えてその中で自分たちのパブリックポジションはどうあるべきなのかというのを結構漸次詰めて考えてやっているような気がしてまして実はそういう部分も実は金融の方がお給料も高くて頑張っているように見えるかもしれません	Degree that manufacturers consider their value proposition in accordance with the environmental change.	seriously consider	AM behavior as manufacturer	Product idea generation - feasibility
3072	けれども遅れている部分もあるかもしれませんしあとコンシューマの行動分析のところもメーカーでは当たり前のことが金融の現場ではマーケティングとしてやられてないこと多いんじゃないかなというふうにも思っていますそういうことも jp アセットとしてできることは限界がありますけれどももううちのニューヨークの方で確立しつつある技術があるようであれば持ち込んでだからといって当社の商品を売ってくれるとは限りませんがバイが拡大すればそれでいいというふうにも思っておりますのでトライはしてみたいという風に考えてます	Possibility of applying the AI application in NY The expected results	Willing to apply  at least contribute to the AM industry as a whole if not for JPM	The reality of AI	Product idea generation - feasibility
5036	それをまあグローバルエアというようなアクティブファンドではなくてインデックスファンドの手軽さというのですね一つは若年層に気にかけていかうかということまで正直まだ十分分析できてないですがインデックスファンドを使うと少しフィーが抑えられるところがあると思うのでインベションインデックスその成長テーマをインデックスを使うことで若年層に訴求できないかということも考えましてインデックスシリーズのファンドを現期2本立ち上げておましてこれを3本目日本目という風に広げていく予定にしていますこれはテクノロジー毎です 今AIの話があつたんですが一本目は AI のインデックスファンドを立ち上げておまして	Ways to take in growth theme	cheaply by having innovation index	Innovation index series	Product idea generation - fee concerns
2037	ここはすぐに金融圏が取れるところだろうというふうにも考えており、それはそこそこ出していく必要があるだろうという風に思います僕らのイメージで言うと ユニクロみたいな、僕らブティックを目指しているわけでは全然なくて株の専門店なんですよね。株の専門店としてユニクロみたいな規模感存在感のある形で日本の中でプレステージのある会社になりたいという風に思っています。追いかけてるのは野村とか追いかけてるだけだとどちらかと言うと HSBC さんとかもさうかもしれないけれどもグローバルなアセマネの大手のしっぽでも掴みたいというふうにも考えています。	Degree of chance that Japanese equity has on brand What it is required	It is possible to become Uniglo like Japanese equity specialist Prestige	Global equity is another area of focus where you will see immediate results	Product idea generation - fund management capability
6010	商品の企画を担当して人たちが特に日常気をつけて努力していることという観点ではそこあまり決まっていなくてももうすでにでてるようなものだとコピーになってしまいますからむしろそれはあまりやっていないですね	Nature of daily efforts by product planning staff	No conscious efforts as a company	Daily efforts of product team	Product idea generation - individual
4002	日本の投資信託は他の国とは少しビジネスモデルが違います海外では運用やってる人たちが例えば債券とかがこういう分野で商品を作りたくて提案してくる。	Main team to propose fund ideas overseas	fund managers	Japn/overseas difference in fund idea generation	Product idea generation -
4003	アイデア出しをやつてリードをいれてしばらく運用して、トラックレコードをつかって、やっぱり上手くなったと思ったら、じゃあセールsteamですね。つまり企画開発が運用部でそれを育てるのも運用部、運用部を作ったものを売るのがセールスということになってます	Key responsible body in the process of incubating fund ideas overseas	fund manager create trial fund and manage for a while for track record Sales team promote the fund created by the fund managers	Fund idea generation process overseas	Product idea generation - investment team
5028	販社さんで言うコアとサテライトという言い方がありますがけれども逆に言うところでも半年前に立ち上げたサテライトのテーマ選が今テーマ選でもないとコアであると言ってもいいぐらいに時間軸が変わってくるまあそれはでも我々のビジネスで言うといわゆる点が面になっていくと言うという醍醐味ではあるのでその運用の実績を投資家にお返しできるのであればそれはそれで一番の醍醐味ですからこれに反して打ち上げ花火みたいなのは打ち上げ花火であったとやはり点は面にならなかったということでしょう	Degree of sustainability of core/satellite concept	Satellite fund 6 month ago is now core fund	Change of economic environment	Product idea generation - market environment

3073	<p>マーケットがダウトレンドにあるときの対策については、マルチアセットのチームではアセットアロケーションでベータを考えるチームになってますのでただショートをアンコンストレインドの戦略というのがありますが実際問題相場を当てるのは難しくて出合いが効くんであればctaはずっと買っていないといけないですからみんなと同じデータを見ているわけですからそれを解析するにしてもやはり一方方向に入ってしまうので本来はマーケットでの買いと売りが存在しているということなんですが機械が入っていくがために一方方向に偏ってしまうよりボラティリティが上がるという面も実はあるのかもしれないというふうに考えています</p>	<p>Existence of teams for asset allocation change Possibility of having right allocation decisions</p>	<p>Multi-asset investment team Not always accurate</p>	<p>Possibility of funds focusing on Alpha</p>	<p>Product idea generation - market environment</p>
5023	<p>例えばAIの商品の場合は営業が販売会社さんと話をした最初のアイデア的なものは出てきたという形になっていてそこを単なるテーマ株みたいな形になってしまうとまあ先ほど申し上げたようにバットお祭りしたら終わってしまったということになってしまいますのでそこはそういったテーマというのはいったいものかつまりサステナビリティがあるかあるいは構造的な変化を伴うような息の長いものかといったような形のところを含めて会議の場では検討するということかたちをしてですね</p>	<p>Manner of how AI fund idea is generated Element checked</p>	<p>Discussion between sales and distributor Sustainability of the concept</p>	<p>Idea generation process</p>	<p>Product idea generation - process</p>
5046	<p>これも先ほどの海外会議体では営業とか今のマーケットを見ている調査部とかに入ってもらって議論をしています調査部についてはこれから来るトレンドとかといったものを提案する形になりますまあそれを重ね合わせてというふうなのがイメージです調査部からファンドのアイデアというのはいわゆるではないですがやはりマーケット寄りなので営業ほどのものではないという感じがです</p>	<p>Manner of exploring fund ideas. Research dept look for trend in the market</p>	<p>Expect the future trend</p>	<p>Role of research department</p>	<p>Product idea generation - research</p>
5046	<p>再販とかリノベーションとかまあ掘り起こしの段階になるとこの先の見通しはどうかというところと実際売っている人たちが我々のようなプロダクトを扱っている人間が話すのでその中で将来的見通しがどうなるのかって言う意見と可能性はどこにあるのかということについての見解をもらうというのは重要でその特徴はファンドマネージャーとアナリストが並立しているのが通常でファンドマネージャーとアナリストが完全に併存しているのがアナリストは当然ファンドマネージャーに株買ってもらったために分析はしています</p>	<p>Degree of importance in inviting views on future demand and potential from sales team. Degree of independence of analyst from fund managers</p>	<p>Very important to identify possibilities Combine fund idea with prospect of the market Quite independent</p>	<p>Role of research department</p>	<p>Product idea generation - research</p>
5048	<p>けれども結構従前ではなくて完全に平行に置いてアナリストアナリストでテクノロジーことテーマでいくつかのテーマをちょうどマクロとミクロの中間点で考え方をまとめているという風な感じになってます今何がいいんでかこれからどうなるかといったようなことを纏ったようなこともレポートとしては意識としてみるとファンドのために区別をということではなくてそれぞれバラバラにしかもベテランで平均19年ぐらいの担当ですからそこは想像している部分はあると本来的にはこの規模でもったいないともう少しでかい会社にしないといけないという意識を持っています</p>	<p>Role of research department</p>	<p>Both macro and micro analysis Analyse them by technology</p>	<p>Role of research department</p>	<p>Product idea generation - research</p>
4027	<p>AIとかビッグデータの商品ってのはどういうふうに出しておられるんではないかビッグデータファンドは運用部隊から打診があったファンドですトラックレコードも何年かあって、元々はクオワンツと云うか計量運用だったんですがクオワンツでは売れないのでデザインを変えてビッグデータファンドとして売り出したものですかり考え方の方向性はリテール sales DRIVEN ですね最近いいと思うのは当社で1999年作ったファンドがありましてこれ来年で20年になります去年辺りからすごく売れ出しているんで今3000億ちょっとあるんですよこれも世の中変わってきたと思うのは20年開き残っているんですよ</p>	<p>Big data fund Key revival fund</p>	<p>At the request of sales team Revival quants disguised to big data fund launched 20 years ago Technology toll keeper fund a core technology provider</p>	<p>Long lived fund with reformed theme can become good selling funds</p>	<p>Product idea generation - revival</p>
4028	<p>それ自体が一つの時代を生きてきたという形になるのでそれがまた通しのテーマと言うかある程度普遍性があるともまだ残高も運よく今年何回かのリバイバルが始まって愛称はネットウィンというんですが technology トールキーパー、テクノロジー関係の業界でシェアの大きくなって必ずこの会社の商品を使わないと製品ならないと提供できないと言ったような会社を探して投資をするというファンドです料金所ですこれの料金所を過らないと商品にならないといった会社です</p>	<p>Reasons for success</p>	<p>Universal theme</p>	<p>Sustainable theme could potentially be revived if the past track record is respectable</p>	<p>Product idea generation - revival</p>
4028	<p>時代とともに会社も銘柄も変わっていくんですがそういうものにフォーカスして投資をするファンドです昔の名前はもうないんですけど当時の名前が変わっているということなんです昔のトールキーパーが他の者にとって代わられていくわけですこれが20年ぐらい前生き延びてるんです考え方の普遍性はあると思うんですよ</p>	<p>Portfolio Theme</p>	<p>entirely different from 20 years ago remains valid</p>	<p>Sustainability of concept is important for revival fund</p>	<p>Product idea generation - revival</p>
4030	<p>そもそもそのファンドを作った経緯はその当時の人はまだいますから営業サイドの方から作ったファンドだということですがこれももともとアメリカでやってたファンド面白くないんじゃないかというところで輸入してきたファンドです運用チームが入れ替えをうまくやってくれたので生き残っているわけです20年生き残って残高が3000億になったこんな良い例はないなというふうに考えています</p>	<p>Birth story Appreciation of 20 year JPY300bn fund</p>	<p>US fund imported by sales staff Very high</p>	<p>Revival fund was originally launched by the initiatives of sales team but was good performing due to the efforts by the investment team</p>	<p>Product idea generation - revival</p>
4031	<p>今とても受けるストーリーです昔は作って壊して作って壊したというのが販売手数料取れますからそちらの方が受けましたけれども今は少し変わってきました 逆に今は長生きするファンドで安心して売れるファンドというのが好まれる方向性にありますこの反応については大手の三大証券が全て入っている昔は考えられないような状況になっています</p>	<p>Recent trend</p>	<p>A long surviving fund can sell well Unbelievably well received with top three mega securities firms joining selling team</p>	<p>Revival fund is preferred by distributors</p>	<p>Product idea generation - revival</p>
5008	<p>そういった状況になってもまた再びまたちょっと違う光の当て方をすれば、もう1回お客様に提案できるんじゃないかといったような観点で、これ弊社内では再販という言葉で呼んでいるんですが、そういったことができないかとか、そういったことを日々検討しております、今現在はちょっと会議体としては市場動向は弊社の調査部というところが市場動向を各営業とか商品とかに対して話す場があるんですが、その中で営業を中心に話す場がございまして、その中で調査部と営業と商品とが集まって、今のマーケット環境に応じて提案できるファンドもしくは能力的なアセットクラスはこれではないかという議論を、そうなるとういう商品がもう一回光を当てられるんじゃないかと、そういった場を使って議論をしているような形になります</p>	<p>Manner of exploration of resell possibilities</p>	<p>Research department to provide market views Sales team to provide distributor ideas</p>	<p>Looking at the fund from different perspective so that new story telling could be done.</p>	<p>Product idea generation - revival</p>
5009	<p>そこである程度じゃあこのファンドたちはもう一度光を当ててみたらいいかもねというファンドがありましたら、それをもっとあの先ほど申し上げたアイデア会議というところにもう一度一回上げてもう一度やってみませんかという風な流れが弊社の中でプロセスとしては出来上がっています</p>	<p>Manner of revival process - Fund once died can revive</p>	<p>through proposal at Product Idea meeting</p>	<p>Potential revival fund needs scrutiny by all participants</p>	<p>Product idea generation - revival</p>
5041	<p>チョコレートとかサブリティとかそういった捉え方でアクティブシニアを応援しますと言ったような仕事との関連これはもう運用歴13年2000年の設定だと思えます。このファンドは1時11億ぐらいになってたのが今1000億になってますこの一年半で900億、おとしの9月で140億ぐらいだったそんなもので2年で1千億になっている</p>	<p>Degree of acceptance for supporting active senior theme</p>	<p>very receptive with the fund grown from JPY1.1bn to JPY100bn in one and a half year</p>	<p>Revived funds have specific stories.</p>	<p>Product idea generation - revival</p>
5042	<p>これは前社長の鶴の一声で売られたファンドですが運用成績が良いのに残高が低いというのはいくつかあることなんだという基本的な疑問からはリバイバルをしたというファンドです従来は次から次に新しいものという意識が強かったですから一旦残高が減ってしまうものについてはあまり関心がいかないような状況になったやつを砂時計を反対に置いたらこれはもう各社さんやっているとありますがまあこれは野村さんが一番よく売ったんですよ</p>	<p>Degree of acceptance for good performance but with small balance Degree of attention to small funds in the past</p>	<p>High - could be repromoted Nomura sold well Very low</p>	<p>Revival fund initiated top down could be possible.</p>	<p>Product idea generation - revival</p>

5043	ファンドのストラクチャーもしっかりしているというご承知のように中小型のファンドなのでファンドマネージャーの限界があると言う上限があるので1000億とか2000億とか言うところで頭打ちにならざるを得ないそんな大規模化はしないと言うことになると思いますまあこれはいいですねファンドマネージャーもいろんな販売会社さんには一緒に行っているようなポリアフェノールの銘柄が入っているんですけどか言ったような説明をするような体制をとっています	Degree of capacity limitation Extent of requirement for validity in structure	jPY100-200bn Solid structure is needed	Story is important for revived fund to be sold	Product idea generation - revival
5044	販社の本部の方にも伝えるように工夫してプレゼンしていたので例えば銘柄として通信販売のペルナとか入っていたんですけれどもそれなんかチラシを見せながらこの会社は老人向けの物販をしているんですけど言いながら裏返すと孫向なお商品があるとこれによって本人と孫向けの両方の商品を買ってもらってんですよとかこうリアルな話をファンドマネージャーの情熱が伝わるような形で言うのは株のアクティブについては重要なので中小型のファンドマネージャーの木村君とか30銘柄のロングだけでずっとパフォーマンスをあげてるとのがありますが一年間の回転0とかですすね <b>運用者の情熱が伝わるようなもの</b> というのは重要だと言うことがありますが経営的に言うと上限があるので難しいですが非常にお客様には評価されるということがあります	Degree of requirement for reality in sales talk	Reality is needed. Passion of fund manager should be communicated	fund promotion is important for revived fund as well	Product idea generation - revival
5045	そういった社内に埋もれているファンドとかさう言って一旦盛り上がったけれどもはったらかしにされているファンドがないかとか先ほどロッチ後の <b>再販</b> の取り組みということについてお話ししましたがそこではなるだけそういう環境に応じたパフォーマンスが良いものであるという形で提案できるように皆で探しているという感じですねとそういうのでいくつか結構長寿ファンドみたいなのがですねありますのでそれもあり <b>着実にまあ販売さんの方でも</b> 昔行ったやつをもう1回リバイバルで売りに行きたいとかという話がある場合もありますし商品としては出来上がってずっと続いてますから <b>営業とかお客様を待っている人間がこういうファンドも結構増えてますよ</b> とかかっていう話をするということによって誰かにもう一度行ってみようかかっていう形になります	Degree of efforts for exploration of qualified fund activity	Heavy to find out long lived funds with good performance	Everybody is looking for the potential revived fund candidate	Product idea generation - revival
6028	色々商品を作るにわたって最も重要視しないといけない要素ってのはどういう要素ですか みもふたもないです売れるかどうかということですが売れないとすぐ商品が廃盤になりますから売れるかどうかの要素の基本的なラインってのはどういうところにありますか一番よくご存知なのはおそらく販売会社でしようでそれらのご意見を聞いて今こういったものなら説明がし易くて、 <b>お客様が関心を持ってもらえそう</b> だという風なヒアリングを重要な要素として行なっています最近では <b>トラックレコード</b> の運用成績はいいのかとというの少し重要になってきましたでも売れるかどうかというこの命題の前では大分差が空いて2番目ぐらいかなと思います。	Number of long term sustainable funds Frequency of distributors showing interest to sell revived funds Effectiveness of promotion for revived funds	Some Quite a few Effective	Long lasting funds could potentially be candidate for the revived fund	Product idea generation - revival of funds
4010	販売サポートの体制が強いかどうかというのも要素ですそうするといわゆる運用部隊で最近発表をする運用部隊の方と売っておられるニーズを把握する部隊とのコミュニケーションというのは結構頻繁に行ってらっしゃるんですか運用部隊は商品を棚にばーと入れていってですね <b>山の場合</b> は山のようにありますのでその棚からどれをおろしてくるのかっていうのがこちらの役割になりますその棚からおろしてくるのは営業部隊の役割になるんですか営業部隊でサブプロダクトの人達ってのはアーキテクトチャだけですか採用いただいてさあ売りましたとなった時にうちの運用のポリシーはこうだとか実績はこうだとかということ運用部の出先として説明する役割があります	Success factors for a good fund Screening criteria	Saleability Views of distributors for investor response and easiness of explanation Then the track record and performance	Success factor for a good fund	Product idea generation - screening
4011	まあマーケットで事件がおこりましたとかいつかそれがどうい影響を受けそうかを運用部の出先として説明をする。予想をする人達ですね。そうするとほとんどのファンドの考え方のセレクションのキーになるのは販売部隊ということですかそうですかその販売部隊の中でやはりそういうのに長けた方とそうでない人もいらっしゃると思うんですがどうい要素が重要だというふうに考えていらっしゃいますか有能な商品を発掘する能力を持った人間とそうでない人間の違いというのはどこにあるんですかうちの運用部のことをよく知ってですね <b>棚に何が入っているのか、他社との比較でどう差別化できるか</b> ということをよくわかってる人間そういうものを一生懸命見てる人間が中心になって動いているということになりますね商品のアイデアを出すということになります	Other key success factors The role of product team The role of sales team	The strength of sales support team Explaining investment philosophy and past performance for investment team Pick out saleable funds from the shelf prepared by investment team	The roles of product and sales teams	Product idea generation - saleability
4012	<b>売れるかどうかという判断</b> だとちょっとコマースの匂いがしてしまうんですがある程度営業部が大きな塊にならないと結局コストが高かったりして投資うちさんのためにならないのであまり小さいものを単発で数を出すというのはどうい発想はしてませんかでももうすぐ大手の販社で一社だけでもかなりの規模を売れるというは全く別ですけどもそうでなかったらある程度規模感が作れるかどうかというの判断の基準になります	Responsibilities of Product team	Produce market reports when some incident happened	Skilled product generating staff	Product idea generation - saleability
4013	ところが日本だけは違っていてセールスの方がファンドを売っていただくディストリビューションの証券の方とご相談してこういうのが受けるんじゃないかということ、 <b>こちらが企画して</b> は必要があるからこのファンドはどうしようかということ <b>運用部の方に提案</b> をする	Characteristics of idea generating people	Knows what we have on the shelf, how we could differentiate from competitors	Characteristics of product idea generating people	Product idea generation - saleability
6018	運用部の方もそれはやはりやれそうだと日本のセールsteamがこれは汎山売れるものではないのであれば日本仕様カスタマイズしたものを売ろうとしようかというように発生の流れが違っていますでつい最近までそういうパターンです	The decision rule for new fund	Whether it can sell Good response from the market testing A good size could be expected	Decision rule for new funds	Product idea generation - saleability
4004	ご承知のように専用ファンドが多かったわけですからA証券会社とかB銀行のためにこのアイデアを使ってファンドを作ったのでこのファンドはオタクしかおもしろくないという風に <b>高度にガラパゴスな販売会社ごとカスタマイズされた独占契約のビジネスモデル</b> になりますこれ他国では見られません	The process of incubating fund ideas in Japan	Sales team discuss with distributors for the fund ideas and propose the fund to fund management team for management	Fund idea generation process in Japan	Product idea generation - sales team
4005	実際に商品アイデアがどこから上がってくるかということについてイメージですが <b>営業からでるのは7割運用サイドが3割程度</b> だという風に思います	Degree of reaction by fund management team	If sales team says the fund can sell, then fund management team is ready to customize the fund	Reaction of fund management team	Product idea generation - sales team
4006	たまたま <b>管理部門とか企画系の部署、人事</b> とかえとところから女性活用とかですね時々ポット出てるようなものがあるんですけど後ちょっと組織の仕組みのところから徳測すると商品部の人間が直接販売会社さん、公募投信の販売会社さん直接お客様の所に行ってディスカッションするといったような場も積極的に設けておりまして営業を通して聴くというだけではなくそういう人間がディスカッションするようにも動いています	Nature of usual fund in the old days	Mostly exclusive fund for a particular distributor. Highly customized Unique only in Japan	Dedicated fund for a particular distributor	Product idea generation - sales team
5028	部門間の意思疎通の場としてあるのは形としてあるのは先ほど申し上げた <b>金庫</b> ですがあくまでそれは何人も集まっていう形になりますけれども当然ですが営業と商品は隣に配置されて集まって簡単な議論をするというのはよくあると思っていますすすすそういう形での情報交換とか議論とかって言うものももっていますのでおそろくさっきの話ではないですけども金庫さんのFDの指導もう終わってサインを採用本数が減っていると言うと我々のKPIで行くと公表しているファンドでもですねコンセプトからいえば <b>長寿ファンドで良い運用</b> 売りますよ	source of product idea	sales team 70% investment team 30%	Source of product idea	Product idea generation - source
5029	部門間の意思疎通の場としてあるのは形としてあるのは先ほど申し上げた <b>金庫</b> ですがあくまでそれは何人も集まっていう形になりますけれども当然ですが営業と商品は隣に配置されて集まって簡単な議論をするというのはよくあると思っていますすすすそういう形での情報交換とか議論とかって言うものももっていますのでおそろくさっきの話ではないですけども金庫さんのFDの指導もう終わってサインを採用本数が減っていると言うと我々のKPIで行くと公表しているファンドでもですねコンセプトからいえば <b>長寿ファンドで良い運用</b> 売りますよ	source of product idea	Administration planning, HR could have ideas such as Women power Non-sales staff could go to distributors for discussion	Other sources of ideas	Product idea generation - source of idea
5039	部門間の意思疎通の場としてあるのは形としてあるのは先ほど申し上げた <b>金庫</b> ですがあくまでそれは何人も集まっていう形になりますけれども当然ですが営業と商品は隣に配置されて集まって簡単な議論をするというのはよくあると思っていますすすすそういう形での情報交換とか議論とかって言うものももっていますのでおそろくさっきの話ではないですけども金庫さんのFDの指導もう終わってサインを採用本数が減っていると言うと我々のKPIで行くと公表しているファンドでもですねコンセプトからいえば <b>長寿ファンドで良い運用</b> 売りますよ	Frequency of discussion between sales team and products	sporadic discussions between sales and products are frequent	Other informal communication	Product idea generation - source of idea

5040	<p>というのはモーニングスターの評価の良いパフォーマンスの良いより長期運用の考 え方に寄り添うようなファンドを売るというのが一つの考え方ということになる と今あるアセットを再販するみたいな動きというのはあるいはそれをコンセプトを違 えて売り出していくというのが一番良くてマスコミで買っていた元気シニア オープンと言う日本の中小型株があるんですがアクティブシニアを支援しますという 趣旨なので決してライフケアとかヘルスケアではなくて、それにはポリフェノールを 作ってる会社とかが入ってるわけですね</p>	Degree of validity in selling vigorous Senior Open for active senior citizens	Sell long lived fund with good performance is a valid choice	New approach in line with FSA	Product idea generation - source of idea
5003	<p>住友三井アセットマネジメントですアイデアを収集しまあそれを生み出すという形な のですが弊社の中では大きく分けて商品企画段階、実際の商品組成段階、ローンチ したあとの商品管理段階の三つの段階に分けて商品のアイデアを見出してから実際 に出した後にお客様に訴えかけていくといったことを管理しています。</p>	Steps	3 steps at planning, launch, and after launch	How to generate ideas	Product idea generation - structure
5002	<p>商品企画段階というのはいかにどんなアイデアを集約させていいアイデアを汲み取っ ていくかということであるんですが、まずプロセスとして商品アイデア会議という 会議体を持っておりまして、これは運用部門あるいは商品部門のみならず全社的に 公募可能といった形の体制になっておりまして、とは言っても実際の応募は実際に業務 に接している営業であるとか、というところの方が多んですが、そういった形で全 社からアイデアを汲み上げてやっています。</p>	Range of participants	Fund management, Products, Sales, and all	Product planning stage - Product Idea meeting	Product idea generation - structure
5003	<p>その汲み上げたアイデアというのは商品企画側の方が担当となって商品アイデアと して議論できるような形にまとめてあげていく作業は実際は行ってあります。各部か ら出てきたアイデアがある程度をまとめて議論できるような形にする、先ほど申し上 げた商品アイデア会議という場において、運用部、営業部、商品部ですれすれ言った 分野の人間で議論をするということをやっております。</p>	manner of preparation process nature of work done	done by product team ideas to be discussed	Product planning stage - Product Idea meeting	Product idea generation - structure
5004	<p>これは公募投資機関投資家とか年金とか言ったりテーマでないものといった別のも のと大きく二つに分けて同じようなプロセスを構築しています。それでその中で議論 した中でこれはまあ議論する際に営業とか運用の人間がおりますのでそのお客様に 対してどういった訴求点、つまり商品を出すことによってどういったところが訴える ことができるか、またお客様にとってどういったメリットがあるのかといったような ところも含めて議論しています。</p>	Intensity of discussion	what to appeal to investors what are the benefit to investors	Product planning stage - Product Idea meeting	Product idea generation - structure
5005	<p>会社の中でこれほど議論して議論するに十分値する商品だということになれば実際 には需要調査活動と弊社では呼んでいるんですがそれを実際販売会社さんであるとか 弊社がカウンターパートとなっている相手方に提案をしたり、discussionをしたりと いうフェーズに入ってきます。</p>	nature of work after idea generation with whom to check	demand check will follow distributors	Product planning stage - Product Idea meeting	Product idea generation - structure
5006	<p>まあその販売会社を含めて話をして厭がありそうだとか、また販売会社さんの方で取 り上げていただけるということになると、次はその商品開発委員会という社内の 意思決定機関での段階になるんですが、そちらの方で正式な商品組成について決済 をする意思決定をするという形になります。</p>	manner of process - If demand check is positive	Transferred to Product Development committee	Product Development Committee	Product idea generation - structure
5007	<p>その段階では細かいスペックとかどういったストラクチャーであるとか、受け渡し の日数はどうとか色々な細かい点を検討した上で商品開発委員会が議論する という形になります。でも実際それを設定した後は商品管理段階という形になるん ですが、あそこにおいても設定してからのファンドの状況というものも適宜モニタリ ングするよう形でやっております、まあ例えば商品設定して商品設定後って問題意識 の中でローンチした後で一定程度は上がって盛り上がるんだけどその後ちょっと ほったらかしになってしまっているファンドとかが世の中あるんじゃないかという ことがありよと思うんですが、弊社の中でも現場そういった状況になっている ファンドがないというわけではないという状況です。</p>	Further actions needed Manner of process after Product Development Committee	product specifications structure days needed for settlement Product Management to monitor the launched funds	Product management	Product idea generation - structure
5010	<p>先ほど冒頭に一番最初にアイデア会議と申し上げたところで、社内の前段販売会社 とか、営業お客様と接している営業とかあるいは運用のアイデアとか詰ると申し上 げたんですが弊社は海外拠点もいくつあるんですが、現状、そうですね年に1回 程度の頻度でニューヨークの方でアメリカ中心に外部マネージャーをリサーチし ている担当者もいるんですけど、まあそちらの者が出張で何回か来るんですけど も、その中でアメリカではこれがファンドの流れとしてはあるんだけれども日本 で考えたかどうか、という風な形で持ってきて、それを議論しているというのは 実際ございます。</p>	Overseas functions US rep present US product ideas	New York f or external manager research function A few times a year	Product planning stage - Product Idea meeting	Product idea generation - structure
5011	<p>また弊社は日本そしてアジアというマザーマーケットで頑張っているところ でやっておるんですけども弊社の香港拠点の方とは定期的に具体的には四半期に一回 程度でですね電話会議といった形でアイデアをディスカッションする場を設けて おります。日本のことは東京にいればある程度見えることはあるんですが、ア ジアの事については現地で見ていることというのは示唆としては大きいという 風にしておりまして、特にその香港拠点の人間からこういった商品ができる ではないかという風な、アイデアをその場で出してもらって議論をするという 形で先ほどの冒頭のアイデア会議というのが東京の中でやっているものに プラスしてニューヨークの人が来て議論する場と香港から四半期に一回 議論する場というのがあります。そういった形になって おります。</p>	Nature of overseas functions Activity of Hong Kong rep quarterly	Hong Kong representative Video conference to bring up fund ideas	Product planning stage - Product Idea meeting	Product idea generation - structure
6001	<p>日興アセットの日興アセットの前川さんです私どもは200を超える販売さんとお付き 合いがありますのでアクティブなところとそうでないところいろいろまた等 ではありますけども金融機関は多分カバーしてらんだと思うんです 組織としては私が見ている商品部門40-50名いますけれども開発だけではなくて 信託の約款を書いてたり統計データをしてる人たちがいますから実際コアとして 開発専任という形でやっているのは今二人ですすねもう少し広がってファンドの 戦略作り込みストラクチャリングとかまでやる人を含めると10人ぐらい追加 されるといいう形になります</p>	Number of distributor relationships Extent of coverage Number of staff in products Nature of job	over 200 Almost all financial institutions	Distributor coverage	Product idea generation - structure Product idea generation - structure
6005	<p>ただ長いテーマであればそれはそれでいいだろうと長くは且つユニバースが 一定程度広くてそこにアルファを生み出せるだけのユニバースがあるのであれ ばヘルスケアとかまあそういうのはやっているんですけどもタイム G のファン ドとかフィンテックのファンドとかはユニバースが小さすぎるというふうに 思っています</p>	Importance of size of universe of each asset class Universe of health care funds Universe of Time G, fintech	Very important large enough Too small	Need long term theme with large universe	Product idea generation - sustainability

2010	国内系とか外資系とか販売会社の人達に色々聞いてみると <b>本気に投資商品育てようという会社は少ないというんじゃないかと絶無</b> なんです。私が会社作ったのは2003年なんです。その時は絶無なんです。自分はいつか会社作りたいという風に思った時に投信会社でどういう風な会社を作るのかということを書き、ポッキーのような会社を作りたいと、それは雰囲気は良くてみんな大好きで、少額でどこでも買え、どこでも買えた、たくさんのお客様がいてそれで大手の多くの方が保有している満足感があるという商品を作りたいと考えたわけです。	Number of companies that are willing to grow AM industry Year of AM establishment Initial business Reason for the entry Characteristics of Pocky	None 2003 A company like Pocky Good feeling, fond of, easy to buy, there are many customers and customers are happy	Original aspiration of the new AM company	Product idea generation - sustainability
2016	2003年に会社を作って当初は資本金700万円で他人資本を使わないで、自分たちがコツコツやって最初は投資顧問の助言の免許で投資を始めたわけです。でもいざ投信を作りたいということで5年たって資本も蓄積してそこそこ運用実績もあったので満を持してレオスキャピタルワークスの旗艦商品であるひふみを立ち上げたのは2008年の10月だったわけです。	The year of establishment Size of capital Initial business Reason for the entry Year of establishment of Investment Trust	2003 JPY7million Professional advisory With track record and accumulated capital 2008	How Leos was established	Product idea generation - sustainability
2017	2008年の10月ってのはまさにリーマンショックの真っ只中だったの169人のお客様で1オク5千万しかお客様は集まらなかったんです。周りの人はあいつも構えがまわったなみたいな感じで、始まった瞬間に召喚かよみたいな、そうゆうのがスタートだったんですけど、あの本当はそれなりに自信があって169人のお客様で1億5千万円のお客様だったけれども、 <b>時間の経過さえあれば絶対に勝てるはずだという風に思ってた</b> わけです。	Market environment in OCT2008 Customers obtained General perception by the market Fund raised Conviction	In the midst of Lehman Shock. 169 customers Failure and soon to end up with a failure Mere JPY150million Sure to succeed	Early days of Leos	Product idea generation - sustainability
5026	販売会社の販売体制に問題があるのかそれほど大きなテーマにぶち当たってなかったということになるのかだと思います販売に関しては為替があるなしとか乖流をいっはい作る一つの商品で4つも5つも派生を作るので自分で自分の首を絞めて説明できなくなっちゃうところがあるんじゃないかという考えです	Degree of sustainability of past funds Degree of influence of past funds Extent of structural problem	Not sustainable Not impactful Too many tranches of funds with currency hedging	Product generation problem	Product idea generation - sustainability
5027	我々も10年前に <b>ニューチャイナファンド</b> っていうファンドがあったんですが当時は <b>3000億</b> あったんです今はもう時価も落ちてから <b>200億</b> 切ってますけれどもそれはもう日中の色んなことがあって外交問題貿易問題 等々振り回されてますが中国というのは正しいかと思いついて但し、今アメリカともめてますがからただ昨日の敵はまた味方になりますから変わってくる可能性はあると思いますまあ韓国あたりは変な動きしていますが	Degree of environmental change influence the size of funds	US China trade war is against New China Fund The situation could change in the future	New China fund	Product idea generation - sustainability
6012	世の中のイノベーションの動きとかはよく見ている感じですが日本の投資うちはテーマ型が割と好きでFSAIはテーマ型そのものを批判してはなくてそこは我々は <b>テーマ型を抑えようという気はないんですけどあまりこの短期的なものとかは行ってもしょうがない</b> です。すし目先の流行りでやっぱりこういうものをやりたいたっていうことを言ってくる人もいるんですけどそれは取捨選択じゃないかなと思います	Things to monitor Stage of FSA Fashionable short term based funds	Development of innovation Not denying theme based funds Not worth the efforts	Innovation development to monitor	Product idea generation - sustainable change
6013	<b>テクノロジー系のは私ども結構やりましたねまあこれは息の長い少くとも10年単位のサイクルトレンド</b> という意味です。まあロボティクスとかですとかオートノマドライブングですとかまあそういうテクノロジー系のものについては多くやりましたねフィンテックもあります	Frequency tried technology related funds Kind of technology funds Sustainability of technology ideas	Many times Autonomous driving & Fintech Over 10 years	Long term sustainable technology related funds	Product idea generation - sustainable change
6014	数千億円なので結構そういうものは複数やりましていずれも全部合計すると1兆円を超えていますこれも結構販売社さんの数も多くて全部合計すると100を超えると思います。テック系の運用は我々が資本を含めて提供している会社がアメリカにありましてそこでやっています。営業サイドの方はアイデアマンと言うか結構みんな色々言ってますね	Total size of technology related funds number of distributors for technology related funds The body who manages the technology funds	JPY 1 trillion in total. Over 100 Affiliated company in the US	Long term sustainable technology related funds	Product idea generation - sustainable change
5016	その波の中でどう捉えたかというのが今の多分運用会社の商品政策の差になってると、足元で言うところのさういふことだと思います。それで言うところの 前社長のと時から <b>FDは武器になる</b> んだということ、ある程度社員は疑心暗鬼でしたけれども、そういう環境の中で功を奏して非常に商品の切り替えが早く進んだということが一つは形態的な商品形態としては特徴があるかもしれません。でもひとつはトップダウン的に言えばですね、我々の商品のトップダウンメッセージとしては今期商品としては <b>ESGとエンゲージメント</b> 、二つ目は <b>アジアと中国</b> 、三つ目は我々は <b>QOL</b> と言っていますがコアリオブライア、生活の質を高めるような商品広く言えば資産形成型ということかもしれません。トップダウン的にはその三つで商品を考えてくれとメッセージを一応出しています。	Nature of AM strategic decision Extent of SMBC uniqueness Uniqueness of SMBC strategies	depends on interpretation of FSA move FD could be an weapon ESG, Asia & China, & Quality of Life	AM strategic decision	Product idea generation - top down
5017	それと市場と販社の動向と合わせてどういう風に考えるかということになっていくということになっています。ESGについてはとても販売残高が上がるとは思えないのですが、もうそれは前提条件になるので、我々もESGのファンドを持ってるのでその変化をなんとかアルファの源泉にしたいということで工作をしています。	Nature of ESG funds	Fundamental requirement May not sell well	Expectation for ESG funds	Product idea generation - top down
5018	半年たつとESGも完璧に市民権を得ましたのでたぶん来季は何かさういうファンド置いていないと何もしていないというふうな当局が考えるいう風という風になるんではないかと今だとすね単にそのインパクト投資は抜きにしてグリーンボンドとか言ったものしか取り組みがなかったので実際さういう間でDCの中にも置いていたことが残念ながら金融機関がIRで言うことがない地銀さんにしてもということがあるので中国アジアというのは仮説として日本が高齢化先進国で安心安全清潔きれいとさういふ生活がその後ヘルスケアとライフケアなのでまあさういふ世界にアジアがなっていくという時に当然人口も多いそこで一応ニーズもたくさんあるだろうということでアジアと中国を エキティを主体として考えています...	Status of ESG funds Focus of IR related message ESG requirement Nature of strategic focus	Gained popularity All should be handling Required by all DC & action Asia & China to follow Japan then Health care and Life care will be important	Reasons for the focused funds	Product idea generation - top down
5019	その仮説に基づいて行ってきて我々の香港がフル運用してますので色々な商品の運用商品の主管を香港に移してですね香港の現地のファンドマネージャーにやらせると言うことがありますが <b>QOL</b> というのはいろいろあるのですがもともとお金にもっとお仕事をさせるんだということでもまあ例えれば今でしたら <b>SMBCが出ているあえて取崩し型のデュームレーションのファンドを設定してあえて3パー6パーを取り崩して行こうという風に設定したライフジャーニー</b> という風な名前をつけてさういいうゆる資産形成と言うか生活に寄り添うようなさういふふうにしてるうちに人生100年と言いはじめましたのでこれはもうさういふ流れの中で人生100年に沿ったような <b>QOL</b> を高めるような商品をやってくという風なイメージでやってきたんです。とりあえずそんな形にはなっている。	Extent of the change in life span	Quality of Life for 100 years Decumulation fund (Life journey)	Quality of Life approach	Product idea generation - top down

5020	ただ社会情勢経済情勢がありますので worldwide には Trade War が起こったので来中でこんなことになるとは思っていなかったでアジア中国シナリオが大きすぎたというの現状です今は底値拾うほどくだけた投資家はまだいないので底値を拾うという風な意味での底打ち感があれば変わると思いますが我々にとってみれば構えはできてますのでまあ時間がきたんでそこであえてプロモーションをするような時間があるというふうな現状はそういった一種のムーブメントどうやって掘んでいくかということが一つ抽象的な感覚で言うと重要なこと風になっています	Manner that trade war has impacted Existence of bottom fisher Degree of importance of the timing of promotion of the concept	Tradewar has destroyed the Asia China focus now concept Important	Asia China focus	Product idea generation - top down
5021	今のトップダウンのインシアティブについては年度の商品戦略の中で、年初の商品会議の方向性を示すものではあるのですが経営計画の中のコンセプトの中に入れて込むように指示をしているものでそういうことを念頭に常に心に置きながら新しい商品を考えていつも見返せるようにして戻れるようにして欲しいと、商品部門の年間の計画の憲法として位置付けていると今これは臨機応変に変わりますけれども今売れる売れないは別ですけれどもそういうふうな決めています逆に今は売れるものがないのでマーケット静かですそういう風に地道にやっていくしかないかなというふうな考えています	Extent of top down initiatives	Showing direction as guideline	Top down product initiatives	Product idea generation - top down
4007	これが長く続いたんです金融庁のきっかけで投資信託の販売の方法と言いますか現場を改革しないとイケないということで随分いろんなご指導が入ってそれに販売会社が答えるというかたちでビジネスモデルは相当変わりました今はどこかの販社のために物を作るということとはほぼなくなっていますそれから運用商品の企画なんかも運用側から発信をしてそれは日本に合うんじゃないのということで日本のセールのの方が取り上げて販売会社に提案を受けていただくという流れが多くなっています	Result of FSA intervention	Business model has been changed It has become rare to create a sole dedicated fund for a particular distributor Fund management team starts to propose a new fund idea to sales	Recent Japan business model	Regulator's move
4008	つまり企画販売の流れがグローバルスタンダードにだいぶ近づいてきていますそういう意味では金融庁の政府の指導がなかったからできなかったというは少し残念なんですけど動きがすごく業界に影響を与えたということになります	The degree of impact by FSA move The degree that Japan model is getting closer to global standard	Very soon and profound Very much so.	FSA impact on new business model	Regulator's move
5012	金融庁から言わせれば昨今の FD の流れの中で別に商品まで規定するのは 語弊があるのをつつけよう(笑)。長期分散積立と言われる回転売買の温床にならない積立で資産形成をすと言ったようにコンセプトが入り込んだようなサジェスションがいくつかなされてますので、なされてきていてそれが功を奏すかどうかは別にして、ただ意識はずいぶん変わってきていて、そのいわゆる回転売買と言ったファンドの乗り換えを進めるような販売についてはどうかという点については、ずいぶん見直しされてきたと思います。	Nature of recent FSA recommendation Result of recent change	Shift to investment saving Churning has decreased	Recent market trend for products	Regulator's move
5013	実際上は投資信託というのは <b>競高を競わないといけないのですが販売額を競っています</b> のでまあこれは証券会社が手数料が販売の基盤だということがあるのですが、という意味でいくと本来は競高がいくらかあるというのが極めて重要なのですが、この場合はアップサイドがなかったで販売額を競って手数料の額を PL で考えると普通は貸借対照表で考えないといけないんですが、そうはなっていないというような特性がある中でそれについては当局も問題提起をして、まあ色々出てきました。	Ideal situation Current problem	AM compete for asset size Competing for sales figure	FSA move & impact	Regulator's move
5014	本来は長期分散積立というイメージと国策として 生前ニサという形で税務当局から承認を取ってきているので是非実現しないといけないとインセンティブが働いているという風に思われますけれども、まあ商品もそういう風になってきたということでその結果、運用会社と販売会社の間で起こっていることは販売会社もだいぶ商品に悩まされてテーマ型がいかに悪のように、あるいは長期分散積立でないといけないといかないというふうな積立型ファンド全盛とか運用の世界とは全く別のニュアンスの商品形態について非常に議論が出てきたのでそれはまあ是非々々はあるにしてもそれなりの効果は非常に採用本数が減った販社サイドのですね、我々がローンチする本数が異常に減っております。	Impact of FSA guideline for NISA etc	The product launches have declined dramatically Focus is more on investment saving	FSA move & impact	Regulator's move
5015	それは特にここ1-2年顕著でいわゆる毎月分配型の商品と同じコンセプトでも1年で2回の支払に切り替えたりとか、あるいは為替とかエキゾチックな二階建て三階建てというふうないわゆる非常にレバレッジの効いた商品については、そもそも検討はしませんし現状運用会社の預かり資産という点で言うと分散型で非常に名をあげたリート型の商品が1兆円ファンドになったのは一気にどんどん減っていった通貨型の非常にレバレッジの効いた商品が全部分配型の商品が一気に減っていったんですね、大きく違うところに市場がシフトして行ったというのがここ2-3年で起こった波です。	Behavior of old stars such as monthly distribution funds and exisotic risk layered funds Behavior of REIT funds	declined in balance and focus shifted to new funds declined gradually	Interpretation of regulator's move	Regulator's move
1014	本来的には <b>ホールセールの方でやっているアルファの部分とどう組み合わせるリテールの方に向けていくかという方向性</b> でした。	direction	wholesale expertise to retail	application of wholesale expertise to retail	Retail / Wholesale difference
1015	一番最初に大失敗したのは、1998年に投資顧問事業から投信事業に参入したときに、当時顧客評価ナンバープレートワンといわれていた日本株のアクティブ運用があったんです。	past failure	Topix + 3% fund relaunched for retail	application of wholesale success to retail did not work	Retail / Wholesale difference
1016	当時リテール向けにトピクス+3%というホールセールでは2年連続ナンバーワンのベストセラーになったファンドがあったんですがそれをリテール向けに A launch をしたら全く受けなかったんです。	Topix + 3% fund relaunched for retail	could not sell	Even wholesale best seller fund could not sell in retail	Retail / Wholesale difference
1017	今だったら受けるかもしれませんが <b>技術力をどうやってリテール向けに変換できるのかというのがひとつの大きな課題</b> でした。	challenge	conversion of wholesale expertise to retail	challenge is to convert wholesale expertise to retail	Retail / Wholesale difference
1018	技術をうまくどうアレンジしてそれをリテールのプロダクトに落とし込むのがこれが一つの大きな難しい点でした。当初10年間はなかなか芽がでなかったのが、ここ5年間でやっと芽が出始めたという感じです。	10 years results recent 5 years	unsuccessful bearing fruit	The challenge to convert wholesale expertise to retail was unsuccessful for 10 year before slowing bearing fruit in the past 5 years.	Retail / Wholesale difference
1020	元々リテールやっていたものだからすると年金運用をしているカルチャーとカルチャーが全く違うんですね。全然話が噛み合わなかったりすることがあるんですけどまあそれも <b>自由に議論できて自由にやらせてもらった</b> のが良かったと思います。	similarity in culture between retail & wholesale	low	Pension management and retail business differ in philosophy	Retail / Wholesale difference
1021	今も面白いなと思ってよく覚えてるんですが結構うちでヒットしたファンドで <b>日本外債ファンド</b> ってのがあったんですね。	Japan FC fund memorable impression	high	An interesting Japan FC Fund	Retail / Wholesale difference
1022	これは日本の企業だけの社債ですと、当時外債で毎月分配型ってのはうなるほどありましたけど、日本企業だけの外債に絞るのとは全然なかったんですよ。	Similar foreign funds monthly distribution type	many	Japan FC fund was unique	Retail / Wholesale difference

1023	これはリーテイル的な感覚だとこれは受けるわかりやすいし売れるんじゃないかというところがあったんですが、これを社内に回って色々話をするとか真面目に考えるとクレジットを日系だけに集中しようというのは極めておかしいと、リスク分散の観点からはおかしいんじゃないかと言われるわけです。	first personal response to the fund resistance to the idea	saleable high	Japan FC bond fund was rejected by fund management team (wholesale)
1024	あーそういう見方があるんだ。でも販売会社に回るとこれはなかなか面白いねという反応が返ってくるわけですね。	Distributors' opinion	interesting	Japan FC bond fund was well received by distributors
1025	分かりやすいね、これ受けるよと、評判はいいところが帰ってきて運用部隊と話をするとリスク集中してをリスクの分散ということを分かっているのかとポートフォリオ理論わかってるのかという風なまあ結構大きなギャップがあるということが結構面白かったです。	Gap in opinion between distributors and fund managers	very large	Japan FC bond fund was scorned by fund management team (wholesale)
1026	でも作らせてもらったので良かったんですが結果は15002000億円くらい売れましたので成功なんですけど、年金運用のカルチャーからスタートすると全資産を預かるという発想から物事がスタートするので、常に分散というものが考えて商品を作り出すという考えがあるわけです。	Degree of success attention to diversification by wholesale fund managers	Highly successful Very high	Japan FC bond fund was highly successful
1027	個人の観点からすると自分の持っている100の資産の2とか3を投資信託に投資してそこをなんとか3とかとところを完全に分散投資してそうそれはほとんど意味がないんじゃないかということになるわけです。	Broader perspective considering the actual portfolio of individuals	Diversification is meaningless	Meaningless risk diversification given just 2-3% of financial assets is given
1028	私は昔ファンドマネージャーをやってましてその時の+3%ファンドが全然売れなかった反面野村日本戦略ファンドが1兆円とバカを取ってたのうちの初めて全然売れなかったわけです。	Degree of success of wholesale star funds by retail	Low	Even wholesale best seller fund could not sell in retail
1029	とその後実は <b>東海三県ファンド</b> というのを出したんですね。このお3県に本社をおく会社というアイデアを持っていた時にファンドマネージャーとした君たちは一体何を考えてるんだと、東海地震が起こったらどうすんだと、リスクからするとユニバースが広い方が絶対に成績が良いはずだとそれをわざわざ集中投資をしていいはずがないと、日本だけに絞ると世界から社債を集めるとそれユニバースが広くが絶対にいいという表情の発想があるわけですが実は東海三県ファンドというのも実はものすごく売れたんですね。	Degree of diversification effectiveness of Tokai 3 prefectures fund Degree of familiarity of Tokai 3 prefectures fund Degree of success of the Tokai 3 prefectures fund	Very low Very high Very successful	Tokai 3 Prefecture fund, against the wholesale risk diversification concept sold well in retail
1030	従って、現実はこちらで培ったものをやりながら <b>リーテイルはどのようにしたら分かりますくなるのかということに集中</b> すればいいということに気がついたのが実はその東海三県ファンドだったわけです。	New finding		New discovery - A focus on explanatory power id key to success in retail
1031	2000年代前半の話ですけどもそうは言っても独立系で社長の後藤にいわせると、ごみなじごハッチというんですが要はどうやって生き抜いていくのかという中ではやや野村證券さんに行くときは野村アセットさんは間違いなく競合相手にでてるので、戦っていくときにはなんか光る部分が、ナイトというところは案外それはホールセールで培った技術みたいなものを全面に押し出していく必要があるという感じはしています。	Kind of weapon to compete in retail	wholesale expertise	Need for weapon to compete with group lead asset managers
1037	今はもう10年前とはかなり雰囲気違いますね。どこの会社を見てみてもどうしても良かったところはもう全然投信だけになっちゃってやってくるあまりそちらの方に来すぎるとまたこれも弊害が多くてよくないということがありますし、そういう意味ではある程度バランスとれてることは必要だと思います。	requirement for balanced business between wholesale and retail	high	Many companies opt for retail business
1042	この会社に入ってみると年金のお客さん金融法人のお客さんそれから海外のお客さんと色々お客さんがいるんですが <b>投資の長さ</b> が全然違うんですね。	Difference in investment horizon between wholesale and retail	High (Long in wholesale, short in retail)	Variety of investment horizon by wholesale and retail customers
1043	<b>リーテイルの場合はほとんど日々の販売に近い</b> んですが、 <b>年金とか金融法人の場合は極めて長い5年10年</b> 持ちますと、つまり流動性とかは考えずにいろんなものに興味を持ってキャッシュフローを生み出す商品を販売すれば喜ばれるんじゃないかという風なスタートで森林ファンドみたいなものを検討したり、いろいろ話して太陽光発電をやってみたりそれをファンドにできるかできないのかの色々研究していくというふうなことをやって結実したみたいなこともあるわけです。	Difference in investment horizon between wholesale and retail	High (Long in wholesale, short in retail)	Variety of investment horizon by wholesale and retail customers
1044	いろんな経験をさせてもらっていますが客層チャンネルが広いので色々な物をこれにここに入れてみるとかこれはこの客層に当てはまるんじゃないかとか <b>選択肢が多い</b> のがすごく有利な点であるというふうに考えます。	Degree of challenges of product development	High	Interesting application of successful ideas from wholesale to retail and vice versa
1045	企画部門にいる幸せつてのは色々なバラエティがあって色々な考えたものがチャンネルにはめられると言うことがあります。今の話だとソーラーというのはいくともと有価証券ではないわけですね。	Degree of happiness in product planning	high	Interesting application of successful ideas from wholesale to retail and vice versa
1046	それらを証券化することが今回できるのでそういう意味では投資対象がさらに色々な物もキャッシュフローを生むものであれば、できるかなという素地は今出てきてきているということがあるかと思いますが、興味の幅は広がっていると思います。	challenge to convert cash flow generating object into fund product	Exciting	Cash flow generating activities could be source of new fund
1047	交渉相手が経産省の委員であったり価格算定委員会の委員であったり色々ありますので結構どろくさいことを2年間やってようやくできたものではあります。	Degree of labour put into product generation Time length elaborated on product generation	High Long	Onerous efforts to have a fund idea materialised
1048	人材はどこからという観点からは <b>何の経験もない私たちが初めた</b> ということなんですけど、実はあんまりそういうことができる人がいないんですよ。	Degree of past knowledge to start to create a product	None	Human resource bottleneck for generating new fund products
1049	それぞれを聞きながらこれは三井物産のこの人に聞いてとか色々電線の太さはどういうところからという細かいことを確認しながら商品を作り出していくということをやらないといけなかったわけです。	Who helped in the process	Outside professionals e.g. General Trading company	Borrow expertise from outside GTC
1050	今それをそういう経験値からものを投資対象にするというノウハウはかなり積み上がってきたという風に思います。やはり <b>コーディネート力</b> ですね。	Level of know-how accumulated What else expertise is required	High Ability to coordinate	Coordination ability is key to success
1051	知識はそれぞれ色々今持っている人を使えばいいわけですからね。キャッシュフローをどうやって投資商品になるのかっていうのをもう何冊も契約書を読みながら契約書を作って行ってやらないといけないうわけですから、これ大変だったと思います。	Level of difficulty in generating new product Examples	Very high Creating new contracts	Generating new products is contractually difficult



1052	コアには日本株の運用のエクスパティーズがあったんです。	What was in the core	Fundamentally from expertise in managing Japanese equities	The core contribution came from Japanese equity management expertise	Retail / Wholesale difference
1066	ファンドの運用はどう考えるかってのさっきみたいな問題もあるし、日本のファンド数は6000を超えているということもありますから経済合理性からするとちょっと無理だよなというところはあります。これから考えないといけないのはビジネス全体でもう少しコスト効率を考えていかないといけない。	Requirement to close small funds from profitability and efficiency perspective	high	Need to close small funds	Retail / Wholesale difference
1063	お客さんに還元できるようなことは投資顧問では公的な所がむちゃくちゃな資料を出させてるわけで、それがものすごく負担になっているわけなんです。そういうのがすごいことになっていて、なおかつ投資顧問のビジネスの方が圧倒的に低いでしょ、なるほどただ当社の場合は投資顧問の比率が高いということにはなりません。	Requirement by major customers in the wholesale business	Excessive and extremely burdensome	Excessive requirement by wholesale major customers	Retail / Wholesale difference
1064	どこの企業でもどちらかと言うと投信経営者の方になってくるということに当然のことながらなってますよね。	Escape from wholesale to retail	Yes there is a tendency	Tendency to focus on retail rather than wholesale	Retail / Wholesale difference
1065	最大手の年金も100兆円もあって運用会社を集めてるじゃないですか、それで委託会社と運用会社を叩いてビジネスをやるというスタイルってのは産業を育てるという視点が全然ないのがやはり問題があるんだらうというふうに考えてます。	The problem in treating asset management companies as suppliers and just let everybody compete in costs	There is a problem	Problem behavior of large wholesale customers	Retail / Wholesale difference
1066	もう少し固頭張って考えていかないといけないというところはあります。元々は日本株の運用でこうやってアルファを取れるかなというところからスタートしててんですが、2000年に入っていくリスクの分散というお客様からの観点からリスクの分散っての経済状況が切り離されたリスクは何なのかというところから、そういう観点から一番最初に作ったファンドがキャットボンドファンドというものです。	Trend of Forcing asset managers vis-à-vis large wholesale customers	They exit from the business	Wholesale business not profitable	Retail / Wholesale difference
1067	そういうことが仕組みとして起こってしまうということ自体に問題があるという風に考えるべきだと思います。不当な利得を買うつもりはないんだけど、正当な利益水準は確保できるようにしないとダメだと思います。	Degree that adequate profit is retained by asset management companies in the wholesale business	Far too low	Importance to retain adequate profit for wholesale	Retail / Wholesale difference
1005	それを常に新しい発想というのがあります。元々は日本株の運用でこうやってアルファを取れるかなというところからスタートしててんですが、2000年に入っていくリスクの分散というお客様からの観点からリスクの分散っての経済状況が切り離されたリスクは何なのかというところから、そういう観点から一番最初に作ったファンドがキャットボンドファンドというものです。	acceptable risk	irrelevant to economy	Originally pursuit for higher performance has been changed to diversify and reduce risks	Risk diversification
1006	それはいわゆる再保険を有価証券化したものです。ということなので経済が悪化してもリーマンショックであろうが全然関係なくて、経済は関係ない…地震は関係あるということ…リスクはあるけれども経済との相関関係はゼロだということになります。	reinsurance product	no relevance to economy	Cat bond Fund is securitization of reinsurance no risk relevance to the real economy	Risk diversification
1007	お客さんの観点から見るとハリケーンが来て損失を被ると、米中貿易摩擦がどうなのよかってるからっていうのは全然相関がないという観点からは新しい発想であったという風に思います。	Carbond fund idea	new	uncorrelated risk products with economy	Risk diversification
1009	それから色々海外を見ておりましたら、アメリカで森林ファンドっていうのがありました、で実際には森林ファンドって日本ではできなかったのですが、ユーカリアカシアをベトナムとか南アフリカで植えてそれを紙パルプにできないかということ色々研究しました。	forest fund	existed in US	Searching for new ideas overseas. Forest fund was found	Risk diversification
1012	まあそれぞれ3年4年と5年物のスポットのプライスを研究しようとしたんですが例え5年後の価格はどうなるんだかってのはなかなか価格設定ができないということまで断念しました。	price fixing of pulp	difficult	Unpredictable future price was a concern	Risk diversification
1013	その後やったのがソーラーエネルギーファンドなんですけど、まあいろんなトライアンドエラーはまあ経済とは全く切り離されたリスクを追いかけているという試みでした。	energy fund	product of trial and error	solar energy was to explore uncorrelated risks	Risk diversification
3005	例えば自分がセールスという立場でやるんですけど証券にいる時っていうのは自由に物が売れますね自分の自社商品というのは別になくてマーケットから調達してくるデリバティブであればシンセティックにリスクを組み合わせてやるという自由度がありますけどこちらですと自分の商品というのに縛られてしまうという不自由さはあると思います	Range of Sell side products Range of Buy side products	All anywhere in the market (free to combine) Own manufacturing	Sell side/Buy side difference	Risk diversification
2026	もうひとつの考え方は日本の投資信託というのはざっくり言うとも20%80%で80%富裕層で20%の資産形成層に分かれますこれが高齢者であったり土地持ちであったり資産の分布を見るとだいたい80%が富裕層が持っている20%が資産形成層の上によって保たれていることになってます 日本および外資のターゲットはこの富裕層で、通常の投信業ではこの20パーセントは顧客ターゲットではないわけです。レオスは明確にこの20%をターゲットにしています。	Wealth distribution Leos target	Top 20% wealthiest people account for 80% of total individual wealth Bottom 80% account for 20% of total individual wealth Bottom 80% people	Investor profile of Japan	Small investor profile
2026	50歳以下でまとまったお金を持っていない層が僕らのターゲットです。この20%をとりにいきます、日本の個人資産1600兆円とかいわれているので、ここは320兆円あるわけですが、無競争なんです。野村も大和もみずほも地銀もここはいかないです。この人たちの活動時間は月曜日から日曜日までと月曜日から金曜日までの中というところには9時から5時はこの富裕層を狙ってる銀行とか証券会社はこの時間帯が高齢者と富裕層を攻略する時間帯になるわけですから資産形成層は職務が終わった後及び土日の時間になるわけですねその時間営業してその時間を一定期間資産形成層を取りに行くということを行いました。	Leos target ages Size of target Competition of the sector Competitors target Competitors activity hours Our activity hours	less than 50 years old JPY320 trillion No competition Top 20% Mon-Fri 9:00am-5:00pm After working hours, Sat-Sundays	Targeted customer segment	Small investor profile
2048	この20%の富裕層のお客さんは客層がだいぶ違うんですよ。だからそれが心配はないというふうに考えています。まあこれはどうなるかわかりませんがそういう解約とかは受けたこともあるし、そうするとどういう営業方法をすればいいのか、どういうマーケティングをすればいいのか、根本的には横立型中心で例えば僕らのお客様って直販の場合だと基準価格を見てる人っていうのは全体の中で言うとも15%くらいしかなくて、その基準価格を毎月送りするんだけど開封してる人が15%くらいしかいないんですよ。	Characteristics of bottom 80% customers Percentage of customer who open investment performance report	Saving investment customers are not concerned about the day to day unit price of investment. 15%	Bottom 80% customer behavior	Small investor profile
2048	もうほとんどの人は保険だと思ってるわけですよ。2万とか3万とか引き落としされていて今増えるか減ってるか見ていない顧客数が600層が多いわけですからそれはなんでもかというこの20%引きは早いんだけども投資というのは下がったら買って上がったら売るともだという感覚を持ってると人たちが多くてその中のビヘイビアで動いてるので僕らがこの20%の富裕層軸足を移さないようにしてのはそれが大きいんですよ。	What is the investment like? Investment behavior of saving investment customers The bottom 80% of people would have such a behavior	Like insurance Buy when it goes down sell when it goes up	Perception of bottom 80% investors	Small investor profile

2050	顧客層のビヘイビアが違うということです。大分おかみの方もビヘイビアが変わってきて緊張もその辺りに短期売買にはメスを入れるような形になってきているので回転売買というのに対してはかなり厳しい目が向けられてきていてそれで回転率が非常に小さくなってきているんです。	Recent behavior about churning	FSA is becoming stricter in controlling churning, thus rotation of assets is becoming rare to see	Reduced turnover ratio or churning ratio	Small investor profile
2051	僕らの顧客の平均保有期間は6年とかならひふみプラスを含めて考えると6年とか7年という機会になっていますつまり他のファンドとは違うということが言えます。今だいたいコアサテライト戦略とか取っていて今コアファンドになっているからひふみの解約はなかなか社としても難しい状況にあります。解約すると通常販売会社でも減点になってしまいますので逆にそういうことがすごくやりやすい状況になって営業する時にコア銘柄にしてその回転売買の対象にしたら引き上げます、サービスはそれ以上しませんよということになります。	Average turnover of Hifumi customers The importance of core fund appointment If they churn	6-7years Very important No service will be provided	Average holding period is 6-7 years	Small investor profile
2052	一晩で200人ぐらいで返答がありましてこういう考え方を持った投資運用しているんだなというのが一人一人の顔が見えるような回答がありました。もう下がったら持ちきり下がったら持ちきりという方向が極めて顕著です。かつもしくは入金をするみたいな考え方が極めて強い人たちが顧客層に多いんですね。	Number of replies Nature of the replies If the market is down hold onto the portfolio is the most obvious	200 Each individual character or philosophy is apparent	Reply to our questionnaire	Small investor profile
2053	マーケットが下がる時に影響を受けませんかと言ったら受けるに違いないんですが、それはロングのマーケットだから受けない理由はないんですね。解約がたくさんあるかと言うと多分あると思うんですけど、多分あると思うんですが想像されているよりは多分ないだろうという風には思っています。どの程度の急落があるかとかというところでだいぶ変わってきますが現状の所で言うと比較的他社ファンドよりも少なくとも少ないだろうというふうには考えています。	Degree of impact when market is down The level of redemptions at the time of market turmoil	There certainly is a negative impact, there is no escape from it Lower than anybody's expectation	The company has delivered relatively good performance	Small investor profile
2054	結局僕らの場合は他社ファンドの下落率と比較して同じようなことがあった時に他社ファンドよりも下落率が低ければ他社ファンドの方がそうやってぶんどるやつがいっぱいいると影響を受けてくれるので相対的に持ちこたえる人達が多いと相対的に勝つ可能性が高くなるということはあるわけです。それはお客様のビヘイビアが違ってくるから。その時やられるかもしれないけれども相対パフォーマンス勝ち方がたぶん著しいファンタジーだということによって皆さんロングタームで見ると改善するのでという意味ではお客様いる人が少なくなってくるということがあって実際にサイクルの中でダウンターンから必ずアップターンがあるんで、その時にもうひとつの経験則としてより売らないで持っておこうという方向性になってくるということになります。	Strengths of Leos fund is Impact of relative performance	There are many investors who sell when market is down whereas Leos customers do not sell thus the performance remains relatively stronger than any competitors If the fund performance is superior to competitors' funds, people tend to stick to the holding Afterall, in the long run, they will be rewarded	Unsuccessful funds	Small investor profile
2055	私が何を考えてるかと言うと顧客のビヘイビアそのものがパフォーマンスを決めるというふうには思っています。マーケティングであったり解約率であったり顧客のコントロールであったりコミュニケーションだったり販売会社の協力であったりその辺りが重要なところなのでそこにフォーカスしています。	Core principle of fund performance Key influencing factors to focus on customer behavior	It is customer behavior that impacts the fund performance Marketing approach, control over customers, communication, help by distributors	Part of unsuccessful funds to be eliminated in 2020	Small investor profile
2001	もともと1992年に野村アセットに新卒で入ってジャーディンフレミングとゴールドマンとまあしっかりした会社を経験してきたわけです。	Fund management experience of CEO	Well diversified and well educated	Good breed	Solid fund management
2002	私は1年前からファンドマネージャーをしてみましたので徒弟期間も極めて短くて野村アセットで2年目の頃からファンドマネージャーをしてみました	Fund manager experience	Long from the second year after graduation from university	Long fund manager experience	Solid fund management
2003	その面で見るとすごく保守本流と言うか野村 jp モルガンゴールドマンサクセスとしっかりした会社を経験してきました	Nature of experience	Solid and main-stream	Experiences have been obtained from leading asset managers	Solid fund management experience
1039	アイデアのソースってのは運用のサイドとそれから商品企画側と双方あります運用本部というのは自分がやるところでは色々なアイデアを出してくるんですが自分がカバーしてない世界では新しいアイデアは全く出てこないです。	nature of creativity by fund managers	creative as extension of their current fund management	Source of idea is from fund managers as well as sales team	Source of fund product ideas
1040	そういうものはその商品部の方が積極的に考えていけないといけないと、また例えば海外での流行りものなどというものはやはり商品部がしっかりと確認をしながら情報を提供していかないといけないということがありますが <b>本当に新しい独自色ってのはやはり商品部がみて情報提供しないといけない</b> という感じなんです。	source of entirely new fund ideas	from product development team	source of entirely new fund ideas are from product development team	Source of fund product ideas
1041	営業が聞いているのは大分ニーズが見えてきているものをこう提案しようとするので、本当に新しいものは商品企画部からでるのかなと思います。	kind of idea recommendation by sales team	apparent customer demand	Sales team convey retail investors' demand	Source of fund product ideas
1000	どういうことを考えて商品をお作りになっておられるのですか。誰が考えてどういう形で作り上げておられるのですか。				
1002	まず二人の環境は商品企画なんです私には前任の商品企画長で今現在営業をやっております。			Product development is involved	
1003	私は今はリテール向けの投信の営業がメインの仕事ではありますがそういう背景があるので今日は二人で参加させて頂いております。元々我々は独立系なんです。	retail business	main	Retail business promotion is also important	
1087	この預かり資産という概念の考え方は全然違うのでなかなか相容れないです。色々ありますがどうございました				
4001	コールマンサクセス桐谷社長ですファンド関係のアイデアを考えるとどういうところを注意してらっしゃるのかどういうところに焦点を当てて考えてらっしゃるとか注意してらっしゃるかとか日頃考えてらっしゃることを自由にお話しただければありがたいと思います				

1073	顧客サイドから見ると運用会社に口座をつくることはあまりメリットはないんですよ。会社は口座を作るメリットがない。効率サイドから行くとネット証券例えば5000ファンドあるSBI証券に作った方が顧客の背からは効率は良いということになります。それで例えばナショナルストアのようにナショナルの商品しか置いていませんということに行くのかということになるとこれは一つ問題があるんじゃないかという風には考えています。	Merit that individuals get by having an account directly with asset managers Reason for the low merit	Low The are not allowed to choose from a variety of funds by distributors	There is no advantage for individual customers to have accounts with asset managers	Branding - Need for strong brand
1074	その中で東京海上アセットというブランドという風に言われるにはどうすればいいかということには常に課題です。違う角度でのブランドアイデンティティを作ればいいかなという風には考えています。	How to create a brand	Establishing an identity from a different angle than performance	The direction of brand identity	Branding - Need for strong brand
1075	東京海上アセットとしてのイメージを持っていただきたいという風には思っています。イメージとしては東京海上アセットといえは新しいものを作っているという会社だと、そういう風に投資家が認識してくればありがたいと思います。	Image to be established	A creative asset manager coming up unique product	Strategic direction for branding	Branding - Need for strong brand
1076	ま例えば野村アセットのイメージは野村証券のイメージだし大和と同じだと思います。そういう運用会社としてのイメージを持ってもらえらるよう発信していきたいというふうには考えています。	Asset manager's image entirely different from parent	Needed	Strategic direction for branding is different from financial group asset managers	Branding - Need for strong brand
1077	企画の立場からすると新規の新しい商品はあの会社は出すというイメージを確立していきたいという風に思います。規模が大きくなるとなるとそれは難しいので、我々ぐらいの規模であるとか比較的いけるんじゃないかというふうには考えます。	Degree that size benefit innovativeness	Low	Willingness to be noted for innovative fund creator	Branding - Need for strong brand
1078	運用が上手へたてというのはこれも波がありますからそう簡単ではないという風に思っています。	Chance that good performance becomes a brand	Low	Fund performance cannot be a brand	Branding - Need for strong brand
1079	今も変わってきても業態が入ってきてますし、最後はアマゾンでしょうけれども、そういう風になつたときにチャンネルとブランドの関係がどうなるかちょっとまだよく見えないですがいろんな業態でスーパーとか電話会社とか投資業界に参入しています。が、苦々しく見ているのは誰でもできると思っているんだと、投資業界に簡単に参入してくるとね、大体みんな失敗するわけですけども簡単にできるんだというふうには考えられているのか既存の運用会社に付加価値を認めていないところがちょっと苦々しく思っています。	Degree of difficulty perceived by distributors in conducting asset management	Very low	Entrants from other industries are so frequent	Branding - Need for strong brand
1080	あの人たちはやはり自分たちでちょっと形を作って自分たちで利益を取れるという風な考え方を持ってるということだろうと思います。外でとられる費用を自分のグループで全部取り込むということに焦点を当ててということになります。	Intention of distributors establishing asset management subsidiary	Retaining profit within a group	Other industry players consider it easy to establish asset managers	Branding - Need for strong brand
1081	ほとんどの他業態大企業の投信会社は会社の体を変えてないわけですけどもそれがまあ社会的な投信会社に対するイメージなんだろうという風に思います。このブランディングをやらなく時代が変わった時にお客様サイドの方が変わった時にそういったものがないとかならんしんどいだろうなというふうには考えます。	Requirement for brand	Not now, but will be necessary in future when perception of investors will have been changed	They are in fact not working at all	Branding - Need for strong brand
1082	野村もネットチャンネルを何回作って何回失敗してるかということを考えれば決して簡単ではないだろうという風には思っています。	Easiness of direct sales	Extremely difficult	Direct sale is difficult even for Nomura	Branding - Need for strong brand
1083	東京海上の保険の販売の際にその数パーセントをマッピングさせて商品を売ってもらえるということはないのでしょうか？親会社が横立型で東京海上アセットの商品をマッピングでやって来た98年からずっと2010年を超えたところまで行って来たんだけれどもうまくいかなかったの今は断念してるということですか。ファンドマネージャーとして代理店さんと話す際に東京海上が潰れない限りあなたが火事になった時には私が払いますよというふうな売り方をする保険会社が急に投資商品を持っていてあなたがリスクを取るんですよという説明をするのは極めて難しいというこれはチャンネルのコンフリクトと云うか難しさがあります。	Using parent company as core distributor	unsuccessful due to difference in culture and customer perception	Parent insurance company cannot be active distributor	Branding - Need for strong brand
1084	お客さんとの関係を壊すや信頼関係を壊すような商品を売ってくれということをお願いするわけですから簡単ではないということがありました。結果としてうまくいかなかったですそこを期待するより変額保険としていろんな機能をつけての中の身は東京海上アセットがやってくるという形の方が自然だという形ですね。生保もやってないし保険系はみんな親はやっていない、やっただけどうまくいかなかったというのが結論であろうという風には思います。	cultural difference between insurance company and asset management company	very large	Parent insurance company cannot be active distributor	Branding - Need for strong brand
1085	概念として保険会社には預かりしたいという資産という概念がないんです基本的には東京海上に振り込まれたお金は預り金として預かってそこから色々な商品は買えますよというスキームを作ろうと思ったんですが、その預り金という概念そのもの自体がないので極めて難しいということになりました。MRFを作ってそこに振り込んでもらえということをやったんですけども保険の担当者はそれが全く理解できないわけです。	Existence of account	none for insurance company	There is no concept as MRF for insurance companies	Branding - Need for strong brand
1086	一旦外にお金が出て行ってしまってもまたそれは戻ってくるんだというふうには考えてるんです。実際はそうではないんですが東京海上はDCはやってるんですがそれ以外についてはそこは競合するんですが外国人当たりは東京海上には本店の販売ルートがあるんだらうという美しい誤解がありましたけれども、ほとんど冗談ですね。	Requirement for a pooled fund	none for insurance company	customer perception is different between insurance company and asset manager	Branding - Need for strong brand
3015	ビジネスモデルはB2Bというところがこの三国共通しているところではあるんですけども我々のクライアントであるBがですよりコンサルティブになっていった際にはこの商品をブレイスするではなくていつかのいつかのチョイスをの中でCのCであるお客様が最終的に選ぶということになってくると思うと我々jpモルガンとしてもBだけのマーケティングではなくてCに対してどういう風にマーケティングしていくのか我々がチョイスとしてその中で選ばれやすくなるためには何ができるのかもう考えたりはするんですけどもなかなか支店も持たせませんのでリーテイルに対しての打ち出しというのは難しいんですが	Similarity of AM model amongst Germany, Italy and Japan Future model of B2B as client will become more consultative	B2B model Consider C as customer conceptually	B2B model	Branding - Need for strong brand
3016	何でもかんでもデジタルになってますのでWebを使ってですね会社のブランディングまたは我々のフラグシップの商品の良さというものを緩やかに訴えかけていくということをやりにながらマーケティングの基本的な軸というのはB to Bであるのでこのデモストリビューターに対して何ができるのかということになるうかこの軸は変えないつもりですBに対してのマーケティング活動営業活動をやる時に何に重きを置くべきなのかという時に日本は商品が乱立してますのでなかなか当社の商品の違いというのを訴えてもどこかに似てる商品があると思うんですよ	Speed of Creating branding image through web to C The core stream of marketing Easiness in differentiating AM through products	is very slow B2B Difficult	Hard to differentiate products for B2B	Branding - Need for strong brand
3017	なのであまりプロダクトドリブンの形ではなくてもう少し歩引いたところからのアプローチがいいだろうと思ってそれは例えばどうということからかと言うとファイナンシャルリテラシーの向上に資するための活動というのを運用会社として何ができるかということに行き着くわけなんです	Manner of brand promotion	Not by products but by promoting financial literacy of C	Branding to promote financial literacy	Branding - Need for strong brand

**Causal relationship amongst categories and the relevance of the theory against reviewed literature is summarized as below:**

Relationship amongst categories - reference with literature review						Story Line	Story Line	
context phenomenon causal	ACTION Strategies	CONSEQUENCE	Literature review					
Distributors not helpful	increase distributors	stablefund performance						
Distributors not helpful	do not use them	direct sale						
Distributors not helpful	cost control efforts	smaller number of funds						
stable fund performance	marketing activities	increased fund size						
CEO does not know investment	CEO to learn investment	Good focused products	Professionalism and specialisation	management cognition	Ambidexterity	For CEOs to make proper product and marketing decisions, it is imperative that CEO should know the investment	CEO could know the importance of marketing if he knows investment trust business well	
wholesale expertise	apply to retail	failure						
wholesale expertise	apply retail concepts	good saleable fund	knowledge sharing	information networks and internal communication		Sharing of wholesale investment knowledge with retail marketing knowledge would potentially result in a good product	Communication between those who manage funds and those who sell to investors is required	
wholesale expertise	attention to risk diversification	good saleable fund	knowledge sharing	information networks and internal communication		Sharing of wholesale investment knowledge with retail marketing knowledge would potentially result in a good product	Thinking in the shoe of investors will result in a good fund.	
High small fund maintenance cost	try to redeem funds	smaller number of funds				When there is will to rationalise operations by redeeming small funds, it can be done despite incooperative attitude		
High small fund maintenance cost	cost/benefit analysis	Reduce or maintain						
Liberal culture	try and error attempt	good saleable fund	clan culture			In order to be innovative in fund idea generation a liberal culture is quite necessary		
open architecture	competition	Branding - need for strong brand	competition	Competitor orientation	environment	Open architecture which encourage competition increase the necessity in creating new innovative funds		
regulator move	depart from churning	focus sustainable theme	Learning mechanism and education			Regulator's move dictates the direction of innovation	Regulators require investor protection, i.e. long term investment	
regulator move	depart from churning	focus on good performance record	Learning mechanism and education			Regulator's move makes it natural to focus on past performance		
Distributors not helpful	Educate them	good sales capability	Learning mechanism and education			Educating distributors would be good for establishing new fund ideas		
Distributors fund ideas	Obtain through sales team	Product idea generation	knowledge sharing	information networks and internal communication		Fund ideas come from distributors through sales team		
Individual ideas	hold product meetings	Product idea screening	knowledge sharing	information networks and internal communication		Individual ideas are exchanged in a product meeting		
concept	check sustainability	Product idea screening	organisational learning	information networks and internal communication		Screening criteria for food funds is sustainability of fund ideas		
environmental change	reseach input	Product idea screening		knowledge sharing		Environmental change triggers new ideas but it should be supported by research knowledge		
Product idea generation - individuals	Product idea generator - communication	Product idea screening	Originator - intellectual resources	Management combinative capabilities	knowledge sharing mechanism	Individual ideas need to be shared		
Product idea generation - enquiry by distributors	Product idea generator - communication	Product idea screening	Individual cognition	customer orientation	shared language	Enquiry by distributors is a valid source for new product development ideas that should be screened		
Product idea generation - environmental change	Product idea generator - concept	Product idea screening	Individual cognition	information networks and internal communication		Environmental change is source of product ideas		
Product idea generation - sustainability	Product idea generator - saleability	Product idea screening	R&D investments	Management combinative capabilities		Sustainable product ideas need to be saleable		
Product idea generation - environmental change	Product idea generator - sustainability	Product idea screening	Individual cognition	information networks and internal communication		Nature of environmental change should be sustainable to turn into a good product		
Product idea generation - investment team	Product idea generator - communication	Product idea screening	Management combinative capabilities	Shared language	knowledge sharing mechanism	Investment team can generate product ideas through communication		
Product idea generation - investment team	Product idea generator - performance	Product idea screening	Individual cognition			Invetment team brings up the idea of the fund with good performance		

Product idea generation - top down			Management cognition and dominant logic			Top down product idea generation is xxxxxx	
Product idea generation - performance	Product idea generation - sustainability	Product idea generation - revival				Fund with good performance where the concept is sustainable could become good fund	
Need for brand	Branding - investor literacy training	Branding - by investor literacy					
Need for brand	Branding - corporate image	Branding - by corporate image		uncertainty			
Need for brand	Branding - performance	Branding - by performance		task motivation			
Need for brand	Branding - direct sale	Branding - by direct sale		achievement incentive structures			
Need for brand	Branding - distributor literacy training	Branding - by distributor literacy					
Need for brand	Branding - reliability	Branding - by reliable investment					
Need for brand	Branding - familiarity	Branding - familiar character					
Need for brand	Branding - timing of launch	Branding - by timing of launch					
Need for brand	Branding - distributor satisfaction	Branding - by distributor satisfaction					

## APPENDIX B - Full list of First-order Themes

	First order themes
1	3 secrets for successful promotion
2	Absolute need for brand by asset management company
3	Active/passive preference
4	Actual brand success image
5	Advantage of Direct sale
6	AM behavior as manufacturer
7	AM business model of Germany and Italy is quite similar to that of Japan
8	AM problems and increased complexities
9	AM/Distributor conflict for ETF
10	An interesting Japan FC Fund
11	Appealing ESG
12	application of wholesale expertise to retail
13	applicatrion of wholesale success to retail did not work
14	Aspiration of Leos to be the pioneer in establishing brand is creating shift from saving to investment
15	Attitude toward high dividend payout funds
16	Attitude toward speculative funds
17	Average holding period is 6-7 years
18	B2B model
19	Be in the shoe of regional banks to penetrate
20	Borrow expertise from outside GTC
21	Bottom 80% customer behavior
22	Branding to promote financial literacy
23	Burden in having direct sale
24	Cash flow generating activities could be source of new fund
25	Cat bond Fund is securitization of reinsurance no risk relevance to the real economy
26	CEO as fund manager
27	challenge is to convert wholesale expertise to retail
28	Change in the past 3 years

29	Comparison working for Goldman and establishing a AM company
30	Competition by large AMs
31	Coordination ability is key to success
32	Culture not to demand immediate profits
33	Customer expansion channel
34	customer perception is different between insurance company and asset manager
35	Different investor behavior from others
36	Difficulty in closing small funds
37	Direct sale
38	Direct sale attempt
39	Direct sale by each country
40	Direct sale customer investment behavior
41	Direct sale is difficult even for Nomura
42	Direct sale is not in sight
43	Direct sale was a choice
44	Distributors cannot be helpful for asset management company in creating a brand
45	Early days of Leos
46	Easiness to close funds
47	Educational program
48	Employees sent by parent are just 8%
49	Entrants from other industries are so frequent
50	ESG and brand
51	Even Kokusai Asset Management was not branded despite Global Sovereign fund's phenomenal success
52	Even Nomura does not have a brand
53	Even wholesale best seller fund could not sell in retail
54	Everybody is independent and doing one's own things
55	Excessive requirement by wholesale major customers
56	Experiences have been obtained from leading asset managers
57	Exploration for need for AM brand

58	Financial literacy promotion target is second to fifth year employees of distributors
59	Focus is improving sales capabilities of distributor staff
60	Focus on balanced funds
61	Focus on enhancing distributors basic capabilities
62	FSA focus to catch up with US
63	fund closure not meeting the initial Deed of Trust
64	fund holding period in Japan
65	Fund idea exploratory research trip was admitted
66	Fund performance cannot be a brand
67	Future model of Japanese AM is Europe model
68	General view why there is no AM brand
69	Generating new products is contractually difficult
70	Global equity is another area of focus where you will see immediate results
71	Goal of establishing brand for now
72	Good and innovative products could be well received by retail customers
73	Good breed
74	Growth of AM business in Japan
75	Hard to differentiate products for B2B
76	Havnig become No. 1 is just a milestone
77	Help regional banks to solve their problems
78	Hifumi customers do not redeem fund so easily
79	Highly mixed culture
80	How Leos was established
81	Human resource bottleneck for generating new fund products
82	Impact of compounded multiple
83	Improtance to retain adequate profit for wholesale
84	Independent companies have challenges in being distinguished
85	Initiative to simplify operations
86	Interesting application of successful ideas from wholesale to retail and vice versa
87	Investor profile of Japan



88	Japan FC bond fund was highly successful
89	Japan FC bond fund was rejected by fund management team (wholesale)
90	Japan FC bond fund was well received by distributors
91	Japan FC fund was unique
92	Large Ams do not have intension to establish a brand
93	Level of fees
94	Liberal culture
95	Literacy eduational seminars
96	Long fund manager experiene
97	Look only at redemption ratio rather than subscription
98	Many companies opt for retail business
99	Meaningless risk diversification given just 2-3% of financial assets is given
100	Method of marketing
101	Multi-asset fund is important
102	Naming of brand or fund is important
103	Nature of AM industry
104	Nature of snack industry brand
105	Need for asset management company brand
106	Need for weapon to compete with group lead asset managers
107	Need long term theme with large universe
108	Need to close small funds
109	Need to evaluate distributors' capabilities
110	New discovery - A focus on explanatory power id key to success in retail
111	Next 10 years change will be faster
112	No.1 in R&I satisfaction ranking
113	Number of locations
114	Number of story tellers are numerous in Leos
115	Onerous efforts to have a fund idea materialised
116	Original aspiration of the new AM company
117	Originally pursuit for higher performance has been changed to diversify and reduce risks

118	Other industry players consider it easy to establish asset managers
119	Our product hit ratio is high
120	Parent insurance company cannot be active distributor
121	Part of unsuccessful funds to be eliminated in 2020
122	Past experience of CEO
123	Past growth justifies future growth 700 times from now
124	Pension management and retail business differ in philosophy
125	Perception of bottom 80% investors
126	Plan to hold a tri-country meeting in Jan 2019
127	Plan to increase saving investment to JPY10bn a month
128	Promotion to solve regional banks' problems
129	Possibility of funds focusing on Alpha
130	Problem behavior of large wholesale customers
131	Product development is involved
132	Pure long is Leos investment philosophy
133	reason for the success was the wholesale expertise to create new products and culture to foster it
134	Reduced turnover ratio or churning ratio
135	regional bank support marketing is valid over time
136	Reply to our questionnaire
137	Request by distributors for a new fund
138	Request to close down the dormant funds
139	Requested distributors do not necessarily sell well
140	Retail business promotion is also important
141	Review of locations and funds
142	Sales team convey retail investors' demand
143	Searching for new ideas overseas, Forest fund was found
144	Securities companies efforts to depart from heavy reliance on upfront fees
145	Sell side/Buy side difference
146	Sell side/Buy side difference (middle office)
147	Size of industry cannot be reason for not having any brand
148	Slow pace of individuals for investment
149	SNS Information spreading strategy

150	Soft character is for creation of brand
151	solar energy was to explore uncorrelated risks
152	Source of idea is from fund managers as well as sales team
153	source of entirely new fund ideas are from product development team
154	Start with culture
155	Strategic direction for branding
156	Strategic direction for branding is different from financial group asset managers
157	Supplemental material for literacy education
158	Targeted customer segment
159	Tendency to focus on retail rather than wholesale
160	The challenge to convert wholesale expertise to retail was unsuccessful for 10 year before slowly bearing fruit in the past 5 years.
161	The company has delivered relatively good performance
162	The core contribution came from Japanese equity management expertise
163	The direction of brand identity
164	The problem is that there is no brand
165	The reality of AI
166	The wholesale culture still remains rather strongly
167	There is no advantage for individual customers to have accounts with asset managers
168	There is no concept as MRF for insurance companies
169	There is no investment trust brand in Japan, and CEO's aim is to establish one
170	They are in fact not working at all
171	Tokai 3 Prefecture fund, against the wholesale risk diversification concept sold well in retail
172	uncorrelated risk products with economy
173	Unpredictable future price was a concern
174	Unsuccessful funds
175	US has asset management brands while Japan does not
176	Usage of AI

177	Use of guide book for literacy education
178	Variety of investment horizon by wholesale and retail customers
179	Variety of reasons for becoming Hifumi customers
180	Views on theme based funds
181	We have better product hit ratio than competitors
182	WEB strategy
183	Wholesale business not profitable
184	wholesale customers were initial target
185	Willingness to be noted for innovative fund creator
186	Word to mouth
187	Japn/overseas difference in fund idea generation
188	Fund idea generation process overseas
189	Fund idea generation process in Japan
190	Reaction of fund management team
191	Dedicated fund for a particular distributor
192	Recent Japan business model
193	FSA impact on new business model
194	Open architecture impact
195	Success factor for a good fund
196	The roles of product and sales teams
197	Skilled product generating staff
198	Characteristics of product idea generating people
199	Behavior of capable people
200	Different patter of idea generation
201	Dissapointing distributor behavior
202	The problem with the fee mechanism
203	Hierarchy of fund industry
204	Rule of the game
205	Cause of the problem - low literacy of investors
206	Branding strategy
207	Ideal and realistic brand strategy
208	Branding strategy of Goldman
209	Direct sale potential
210	Timing for direct sale

211	Revival fund
212	Current literacy level
213	Website efforts
214	Head quarter stupidity
215	Sales team
216	Sales team shift
217	How to generate ideas
218	Product planning stage - Product Idea meeting
219	Product Development Committee
220	Product management
221	Re sell possibilities
222	Product planning stage - Product Idea meeting
223	Recent market trend for products
224	FSA move & impact
225	Interpretation of regulator's move
226	AM strategic decision
227	Expectation for ESG funds
228	Reasons for the focused funds
229	Quality of Life approach
230	Asia China focus
231	Top down product initiatives
232	Defensive / Active difference
233	Idea generation process
234	Sustainability of the concept
235	Change of economic environment
236	Product generation problem
237	New China fund
238	Source of product idea
239	Other sources of ideas
240	Millenial generation
241	Asset shift from Baby boomer generation to Millenial generation
242	Millenial generation products
243	Innovation index series

244	Direct sale
245	Problem with direct sale
246	Other informal communication
247	New approach in line with FSA
248	Revival fund
249	fund promotion
250	Revival fund
251	Role of research department
252	Culture of securities company
253	Cost containment
254	Rule for redemption
255	Difficulty in reducing costs
256	Distributor coverage
257	Distributor control
258	New distributor effect
259	Role of first core distributor
260	Product team structure
261	Source of ideas
262	Regular product meetings
263	Diversified overseas branches
264	International video meetings
265	Daily efforts of product team
266	Innovative individuals are in the product team
267	Innovation development to monitor
268	Long term sustainable technology related funds
269	Decision rule for new funds
270	Handling small funds
271	Status against distributors
272	How brand is established
273	Branding through client support
274	ability to appreciate a good fund
275	Importance of investment knowledge
276	Requirement for common investment knowledge
277	Japanese investor late entrant

278	First to introduce concept is onerous
279	Long term sustainable themes deserve the efforts
280	Low volatility makes fund growth steady
281	Revived funds
282	Like foreign asset manager
283	HR system
284	Corporate culture
285	Information from other sources
286	Expectation for DC
287	Added value of direct sale
288	Need for distributor education