



Report on

GLOBAL INVESTMENT MANAGEMENT GROWTH SURVEY 2010

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SUMMARY:
IN THIS REPORT, LEADERS FROM A BROAD SPECTRUM OF MARKET-LEADING INVESTMENT
MANAGEMENT INSTITUTIONS OFFER THEIR PERSPECTIVES ON PROSPECTS FOR GROWTH
AND THE MEANS BY WHICH THIS GROWTH WILL BE REALISED.

SimCorp StrategyLab – thought leadership in applied IT and investment management

SimCorp StrategyLab is a private research institution founded and sponsored by SimCorp. SimCorp StrategyLab conducts research, publishing and seminar activities in the investment management sector within the fields of finance and information technology.

It is the purpose of SimCorp StrategyLab to build bridges between research and practice. Specifically, its work aims at suggesting:

- ways to mitigate risk
- ways to reduce cost
- ways to enable growth.

Ongoing work seeks to focus these key issues specifically on the core functional domains of the global investment management industry, namely investment funds, pension funds, insurance funds and asset management (notably discretionary asset pools).

SimCorp StrategyLab conducts its own research. However, quite a significant part of the research work is conducted in close partnerships with academic institutions, individual academic researchers and other expert partners.

SimCorp StrategyLab's research is relevant to the highest strategic levels of institutions in the investment management industry. In addition, the work is aimed at considering the suggested solutions from an IT perspective.

Preface

There has been a great deal of anticipation and speculation about the state of the asset management industry following the financial crisis of 2007-09 and its consequences for the regulatory environment and the global financial architecture going forward. Given the fact that about half of the financial losses suffered during the crisis worldwide were taken by the various segments of the asset management industry, the reaction of clients and the restoration of trust and perceived value is of justifiable concern. Who will be the near-term winners and losers? Beyond the recovery phase lies a longer-term growth pattern involving clients, products and geographies that must be the foundation of any sensible strategy for asset managers.

This survey brings out a number of interesting issues about each of these dimensions in a broader context where rapid recovery and brisk long-term growth is widely expected. On the client side, there is a clear emphasis on new client acquisition, which implies client losses on the part of competitors and a coming industry shakeout. Equally compelling is the perception that larger asset managers did better in the crisis and now have higher growth expectations than smaller ones. Many of the larger firms expect to be able to leverage their IT infrastructures as a durable source of competitive advantage and growth.

On the product side, there is the importance attached to innovation which actually adds value as perceived by clients who are sensitised by the complexity, lack of transparency and illiquidity that characterised financial innovation leading up to the crisis. In the end, asset management is a human capital business, and the survey suggests that the larger firms anticipating high growth expect to be able to benefit



from their ability to recruit and retain highly qualified financial talent.

Of course there are always clouds on the horizon, even when the general growth outlook seems to find survey respondents to be strongly positive. Concerns arise about the possibility of further financial market instability going forward, the ability to live up to client expectations as to service quality, the adequacy of risk controls and the ability to maintain the talent pool.

The level of detail and credibility of this survey speaks for itself. It will strike a familiar chord among readers who have thought seriously about the future of the asset management industry. The need to manage assets professionally in the financial system is ubiquitous. But the structure, conduct and competitive performance of individual asset managers cannot be taken for granted, even in an optimistic growth scenario.

Professor Ingo Walter
Director of SimCorp StrategyLab

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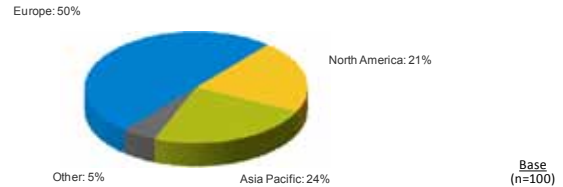
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Methodology

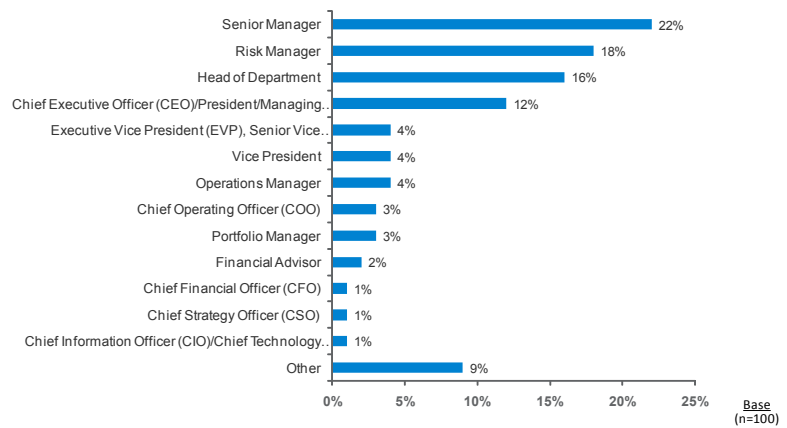
This survey is based on 100 CATI interviews with respondents from around the world.

- The specific interview distribution is 50 from Europe, 21 from North America, 24 from the Asia-Pacific region and five from other parts of the world.
- Respondents were selected based on industry directories.
- Only one contact person per company was interviewed.
- The questionnaire was created by SimCorp and was examined by The Nielsen Company prior to fieldwork.
- The SimCorp StrategyLab was not revealed as the client behind the study unless prompted by the respondent.
- All respondent answers are anonymous unless the respondents specifically agreed to have their answers reviewed.

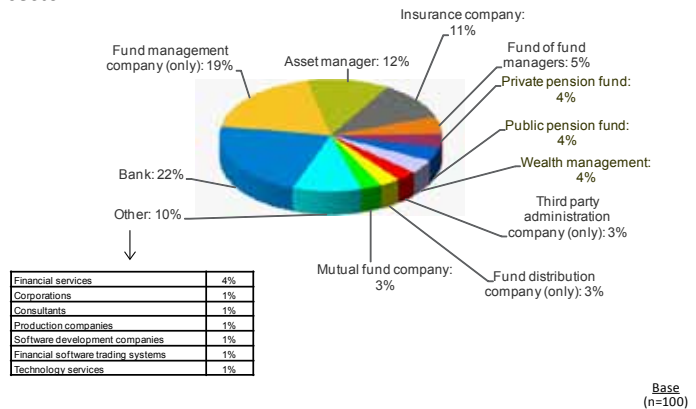
Sample, by region



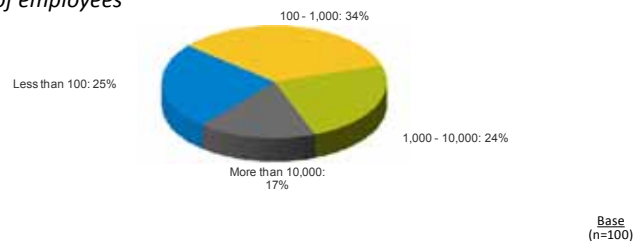
Sample, positions of respondents



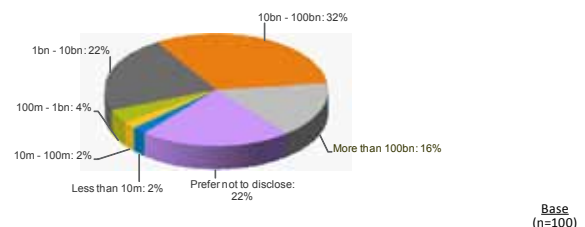
Sample, sub-sector



Sample, number of employees



Sample, assets under management



Summary of findings

- Most (71%) of the respondents have more than one location, with 83% of these respondents (56% of total) having locations in two or more countries. Half (49%) of the respondents plan to open new locations in the next 12-24 months.
- Close to half (45%) of the respondents utilise a ‘best of breed’ systems architecture strategy, while 29% use an integrated solution primarily from a single vendor.
- Most (75%) target a broad segment of the investment management industry, with another 19% concentrating exclusively on a narrow (niche) segment of the industry.
- The majority (69%) of respondents use product innovation to attract or retain clients, whereas 22% focus on a low-cost strategy.
- Introducing new products (65%) and targeting new client segments (60%) are the most prevalent growth acceleration strategies. Geographic expansion (37%) and entry into a new industry segment (36%) were also mentioned by at least one-third of the respondents.
- In prioritising between preparing for growth, mitigating risk and managing costs, 47% cited growth as the top priority at this time, with another 24% designating growth as the second priority.
- The majority (55%) indicate that growth management and creation is a higher strategic priority now than it has been in the recent past. Only 7% stated the opposite.
- 84% have a clearly defined growth strategy, with 81% reviewing their growth strategy at least once a year. An additional 14% review their growth strategy at least every three years. Conversely, only 29% utilise a formal growth framework or methodology.
- There are a number of drivers for growth, with the following factors mentioned as either first, second or third priority by a significant number of respondents: new clients (68%), new products/services (52%) and increased share of wallet with existing clients (39%).
- In the last reporting year, 42% of companies grew top-line revenue by 3% or more. Half (52%) of the respondents expect at least 3% revenue growth in the next year.
- Where earnings (EBIT) are concerned, 32% of companies grew by 3% or more in the last reporting year. As with revenue, the outlook for the next year is optimistic, as half (50%) expect to grow EBIT by at least 3%.
- While the revenue and EBIT figures are optimistic, the outlook for assets under management (AUM) is more guarded. In the last year, as markets emerged from the crisis, 31% grew their AUM by at least 10%. Only 28% expect to grow AUM by 10% or more in the coming year.
- Almost all (87%) respondents view their IT infrastructure as important in supporting future growth. Only one respondent (1%) said that IT infrastructure was not at all relevant. At least 73% believed that IT infrastructure had a high or very high degree of importance in supporting ability to change (73%), scaling the business (73%), strong risk management (73%) and customer service quality (73%).
- Satisfaction with current investment management software is good, with roughly two-thirds of respondents highly or very highly satisfied with their system on most parameters, with the exception of integration (53% satisfied) and straight-through-processing (STP) (46% satisfied).

- Given a list of 23 different factors for growth, at least 73% denoted the following as having a high or very high degree of importance: regaining client confidence (73%), ability of IT systems to scale (73%), strong risk management (80%), attract skilled staff (75%), high customer service quality (82%), ability to implement increased compliance (74%) and organisational management capability (73%).
- An advanced education is prevalent among the respondents, with 26% of respondents having half (45% or more) of their staff with a master's degree in finance and 19% with at least half the staff holding an MBA. The majority (56%) of companies are looking to add additional MBA holders to their organisations.
- Of 23 growth inhibitors, the following were seen by least 60% of respondents as potentially hindering growth prospects to a high or very high degree: financial market stability (62%), poor risk management capability (66%), low customer service quality (64%) and ability to attract talented staff (60%).

Size matters: large investment managers outperform their smaller counterparts

By Dave Beveridge, MBA, Research Consultant, SimCorp StrategyLab, and Lars Falkenberg, Assistant Director, SimCorp StrategyLab

With financial markets showing strong signs of recovery and a more optimistic mood prevailing in the investment management industry, focus is shifting from risk management and cost control toward growth. Larger companies are in the best position to capitalise on this growth due to economies of scale, investment in infrastructure, global reach and a highly educated workforce.

Larger companies (defined as those with 1,000 employees or more) have weathered the recent crisis somewhat better than their smaller counterparts. In 2009, four in ten companies managed to grow their revenue by 3% or more. However, 60% of larger companies achieved this level of growth, while only 33% of smaller companies did so. A similar pattern applies to earnings (EBIT): twice as many larger companies grew their EBIT by 3% when compared to the smaller companies.

The past year has been quite hard on the respondents: more than half experienced negative or negligible (under 2%) growth in both revenue and earnings (EBIT). The outlook for the upcoming year is a bit more positive, with only about a third of respondents expecting to grow revenue/EBIT by less than 2%. A series of trends are apparent with respect to respondents' growth plans going forward. Most (84%) of the businesses surveyed indicate that they have a growth strategy and that this strategy is reviewed at least once a year. More than half see growth as having increased strategic importance, and almost one in two see growth as a

higher priority than either risk management or cost control. Almost all (87%) see IT infrastructure as important in supporting growth.

What are the characteristics of a successful high-growth investment management institution?

While there are always exceptions to any rule, a clear tendency emerges with respect to the profile of a successful, high-growth investment management company. Such a company typically has over 1,000 employees, at least \$1 billion in annual revenue and a clear emphasis on growth in revenue, earnings and assets under management, as well as a high concentration of MBAs or finance degrees.

Why is this the case? The survey results show that past revenue/EBIT growth is much better for companies with more than 1,000 employees than for smaller companies (see above). Similarly, companies with \$1 billion or more in annual revenue are roughly twice as likely to have grown both revenue and EBIT by 3% and up when compared to their counterparts with less annual revenue. Whether comparing by

employee count or annual revenue, growth projections are decidedly more optimistic among the larger companies. A clear emphasis on growth also helps; those companies rating growth as strategically important and/or high priority have significantly better growth rates than companies in which growth is less prominent. The findings also demonstrate a clear correlation between a company's past and future growth and how many MBAs/masters of finance they have on staff: the more highly educated its staff, the more likely a company is to achieve high growth rates.

Globalisation is key among businesses in North America and Asia

While size and growth focus undoubtedly matter, the impact of globalisation should not be overlooked. The survey shows that while only one in three European companies intends to open a new location or locations by 2011, the desire to do so in other parts of the world is at least twice as strong. This is reflected by the fact that North American/Asian respondents are more likely to see geographic expansion as a growth driver than European businesses are. As opportunities in domestic markets begin to dry up, there is an inexorable movement towards expansion outside of national/regional borders, particularly from North America and Asia into other geographical markets.

Companies that put emphasis on growth are most likely to achieve it

Despite the fact it may seem obvious, there is a causal connection between the prioritisation of growth and the growth rates a company expects to achieve. Companies placing the highest level of strategic importance on their growth efforts are also those companies likely to have both a growth strategy and a formal growth framework in place. These factors, combined with growth acceleration strategies such as new products or launching into new segments, show that these businesses are among the top per-

formers in 2009 and expect to assume the same position again in 2010-2011. In fact, three times (36%) as many companies rating growth as very strategically important anticipate double-digit revenue growth as companies with less of a focus on growth (11%).

Cost management as primary focus is analogous to low revenue and EBIT growth

As a sign that better times are ahead, 55% of the businesses surveyed indicated that growth has taken on more strategic importance in the current environment, with only 7% indicating the opposite. In fact, 47% of all businesses surveyed identified growth as their top priority going forward, relegating risk management and cost control to second and third place respectively. However, given the current economic environment of falling or flat GDP and financial markets in various stages of recovery, this tendency will lead to increased competition and incite corporate Darwinism. Simply put, the growth-focussed companies' ambitions to increase the size and scope of their business above market growth rates will come at the expense of those companies less prepared to grow. Companies prioritising growth tended to have marginally higher growth rates (revenue and EBIT) in the most recent year compared to risk-focussed companies and much higher growth rates versus cost-focussed companies.

This legacy of results carries forward into the present, with growth-focussed companies expecting higher revenue and EBIT growth rates in the upcoming year and with the proportion of risk and cost-focussed businesses expecting future growth to more or less mirror the previous year's results.

A well-educated workforce is a growth-enabled workforce

Companies with a high proportion of MBA and finance degree holders are in a better position for growth, which may be why well over half the

respondents are looking to increase the number of MBAs employed by their organisation. The survey shows that those companies looking to expand geographically have the highest proportion of MBAs among their staff: over a third of these companies have at least 31% of their workforce holding an MBA. The implication is that advanced business acumen is needed if a company has aspirations of capturing share outside of its traditional geographic markets.

Growth-driven companies employ a higher complement of MBA/finance degree holders than do their counterparts that are driven primarily by risk management and cost control. One in three growth-driven companies have at least 30% of staff holding an MBA, versus one in four of risk-driven companies and only one in twelve of cost-driven companies. It is very tempting to conclude that companies with a high concentration of staff with MBA and finance degrees have higher growth ambitions and are more focussed on business and value creation.

When this observation is coupled with the earlier findings that growth- and risk-centric companies were much more likely to achieve revenue growth than cost-driven companies, it can be stated that holistic business acumen – expressed as percentage of MBAs in an organisation – is a key harbinger of growth. Put another way, curtailing investment and reducing spending is not the strategy to focus on if meaningful growth is to be achieved: more emphasis should be placed on business and value creation as opposed to cost management.

The revenue growth projections also support the contention that growth is more likely with a well-educated workforce. As an example, one in five respondents projecting at least six per cent revenue growth have two-thirds of their staff holding MBAs. Only one respondent of 26 with 3%-5% projected growth can boast of a similar proportion, while not a single one of the respondents with low (less than 2%) revenue growth projection can claim to have as many as 61% of their staff with MBA degrees. The numbers are not radically different for those with master's degrees in finance. It seems that while business and finance degrees may not be a panacea to ensure growth, a company's ability to grow and gain market share is certainly en-

hanced by a higher presence of MBA and finance degree holders.

IT infrastructure is key in supporting growth objectives

Having an IT infrastructure capable of supporting a company's growth efforts is essential. Only one respondent out of 100 believed that IT infrastructure was not at all important in supporting growth; 87% had the opposite view. The 'importance of IT' and 'capability of IT to support growth strategy' ratings across various parameters such as revenue, geography and growth strategy were fairly homogenous, although a couple of points do stand out.

In particular, the survey showed that risk-centric companies were significantly more pessimistic when it comes to assessing the capability of their IT infrastructure to support growth. This is likely a reflection of the increase in legislation and regulation – both real and anticipated – and its impact on a company's ability to grow in the face of more stringent compliance requirements. Once again, size is a factor: smaller companies tend to have less confidence in their IT infrastructure than the larger companies do. Larger companies tend to have the resources to invest in their IT infrastructure and are therefore better positioned to exploit growth opportunities than smaller companies with less comprehensive infrastructure. Ostensibly this means that large companies can automate several processes that the smaller companies will have to do manually. The consequence is that the smaller companies will be spending time on error handling, administration and other rote activities rather than creating additional value for their business.

Where geographies are concerned, all regions believe that IT infrastructure is critical to realising their growth strategies. In general, European respondents are more sceptical than their North American and Asian counterparts when it comes to the capability of their current IT infrastructure to support growth.

Finally, the survey results indicate that the majority of respondents are satisfied to a high or very high degree with their investment management system. In general, companies placing the highest degree of strategic importance on growth tend to have lower satisfaction ratings

for their investment management system than those respondents placing less emphasis on growth. This is a by-product of the fact that companies with aggressive growth strategies tend to have more demanding requirements for their investment management system.

Growth is a by-product of strategy as opposed to a strategy in and of itself

There is general consensus that focus on growth is important: five out of six businesses have a growth strategy in place. Of these, 95% review their growth strategy at least once every second year. However, it is not exactly clear what this strategy is, given that less than 30% of businesses have a growth framework or methodology in place. This indicates that while many businesses have aspirations of growth, there are not that many that have concrete strategies in place to promote and manage growth. In other words, the prevailing sentiment is that growth is the result of other well-executed strategies (e.g. geographic expansion, new products, merger and acquisition) as opposed to a strategy on its own.

Growth is to be achieved in a number of ways. The most common growth acceleration strategies mentioned are introduction of new products (65%) and new client segments (60%); at least a third of businesses surveyed also listed expansion into new geographies (37%) and new industry segments (36%) as well. Three of four businesses surveyed target a broad array of investment management market segments; only 19% have a focussed strategy that is concentrated on a narrow segment or segments.

Client relationship is not a key factor in growth prospects

Most (69%) businesses see their key differentiators in the area of product innovation versus low-cost leadership (22%). The innovators (88%) are much more likely to have a growth strategy than their low-cost counterparts (68%) and see growth factors such as client confidence, branding, attracting motivated staff and avoiding another economic slump as much more important. Despite these differences, the percentage growth in revenue, EBIT and assets under management (AUM) – both in the past year and expected for next year – are very similar in nature.

Conclusion and additional remarks

Based on the results, it can be concluded that companies with higher annual revenues, a clear focus on growth and a significant proportion of MBAs/finance degrees on staff will continue to enjoy the above-average growth rates that they have experienced in the past. To be blunt, there are valid reasons why some small and medium sized companies grow up to be large, multi-national conglomerates, not the least of which is a willingness to invest in growth, hire competent business-minded personnel and capitalise on value creation, as well as having the right focus at the right time.

Having said that, it is not always readily apparent how companies expect to grow, given that relatively few have any framework in place to achieve it. There are a plethora of initiatives to expand the business and capture share; it can be argued that growth in revenue, EBIT and AUM is the result of well-executed corporate strategies as opposed to a concerted effort to grow. In any case, the evidence is in place that those companies placing high strategic importance on growing their business as opposed to managing it are likely to grow at a greater rate than their counterparts whose focus is elsewhere (i.e. on risk and cost management).

The market is becoming increasingly predatory in a post-crisis environment where weak players fall by the wayside and the strong, growth-focussed companies capture the market share that the smaller, resource-poor companies are unable to defend. The bottom line is that large companies performed better than the smaller companies in 2009 and expect to do so again in the upcoming years, which proving that size matters.

Fig. 1. Investment style

According to the respondents, quite a significant part of the investments consist of a mix of different investment styles. Several also describe their investment style as 'mixed portfolios with a high degree of OTC derivatives'.

Q6. Which best describes your investment style?

Base (n=100)

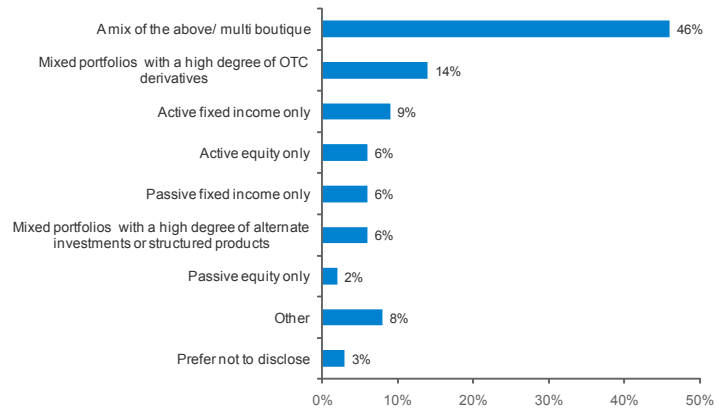


Fig. 2. Target segments

Many companies employ a hybrid segmentation strategy, with broad coverage in some client segments and deeper, narrower coverage in other segments.

Q16. How broadly does your company target the investment management market?

Base (n=100)

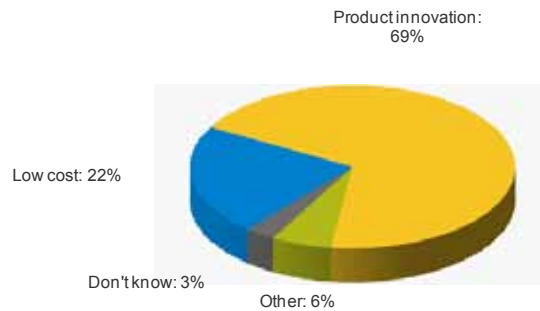


Fig. 3. Growth acceleration strategies

Most companies intend to grow via new products and targeting new segments. New geographic market entry, new segment entry and merger and acquisition are also prevalent growth strategies.

Q18. Please Indicate which of the following growth acceleration strategies are planned for the next 12-24 months:

Base (n=100)

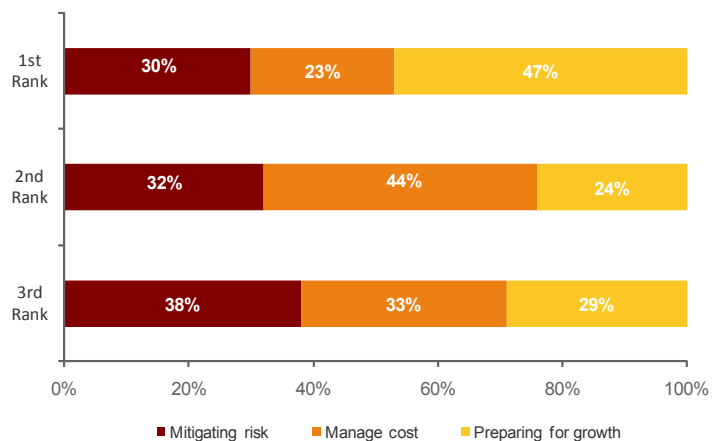


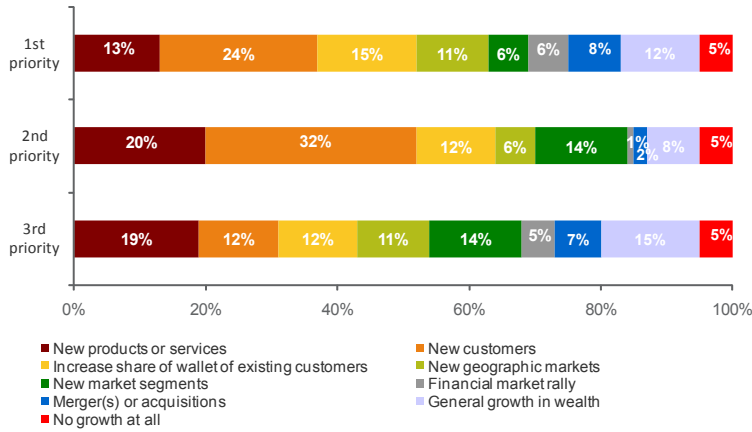
Fig. 4. Primary objectives

As the investment management industry emerges from the financial crisis, increased emphasis is placed on enabling growth versus risk mitigation or cost control.

Q19. Please rank, 1 to 3, the following objectives in terms of priority for your firm at this time:

Base (n=100)

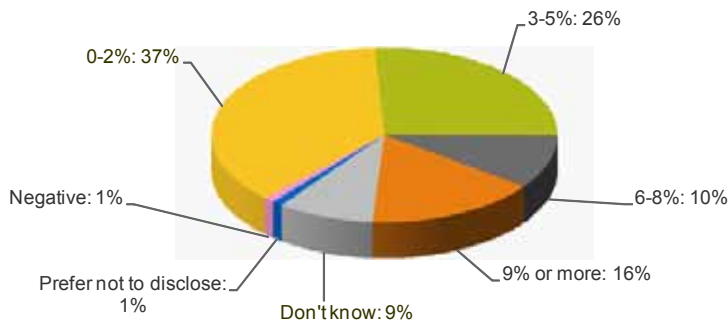




Base (n=100)

Fig. 5. Future growth

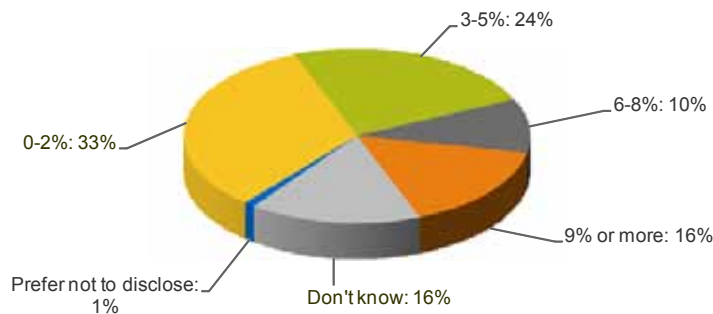
New revenue streams, whether from new products, new clients, new markets or new segments, are the primary drivers of future growth. Only one in 20 respondents did not expect to grow at all. *Q23. Where do you see growth coming from in the future? Please pick top three priorities and indicate using the numbers 1 to 3, with 1 having highest potential.*



Base (n=100)

Fig. 6. Expected annual revenue growth

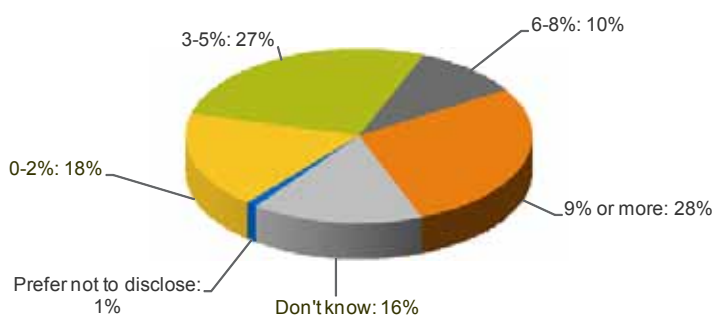
While one in five respondents had negative revenue growth in 2009, only one respondent expects a revenue decrease in the following year. Average revenue growth expectation is around 4%-5%. *Q24. What growth percentages does your company expect to realise in your annual revenue during the next reporting period?*



Base (n=100)

Fig. 7. Growth in earnings (EBIT)

While one in eight respondents had negative earnings in the last year, no respondent expects to lose money in the current year. Earnings growth expectations quite similar to revenue (average of 4%-5%). *Q25. What growth percentages does your company expect to realise in your earnings before interest and tax (EBIT) during the next reporting period?*



Base (n=100)

Fig. 8. Growth in assets under management (AUM)

The sense of optimism prevailing for revenue and EBIT growth also applies to AUM. *Q26. What growth percentages does your company expect to realise in your AUM during the next reporting period?*

Fig. 9. Capability of IT infrastructure

With the exception of expansion into new markets and mergers/acquisitions, over 90% believe that their current IT infrastructure can support a variety of growth strategies.

Q28. Please state to which degree you consider your IT infrastructure capable of supporting your future growth strategy within the following areas:

Base (n=100)

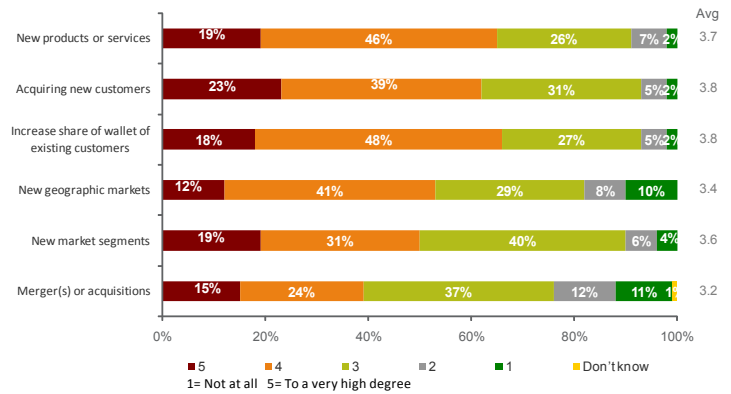


Fig. 10. Company achievements

Respondents are very confident in their ability to generate growth through factors such as value generation, superior products/services, profit generation and client satisfaction.

Q30. Please state to which degree your company achieves the following:

Base (n=100)

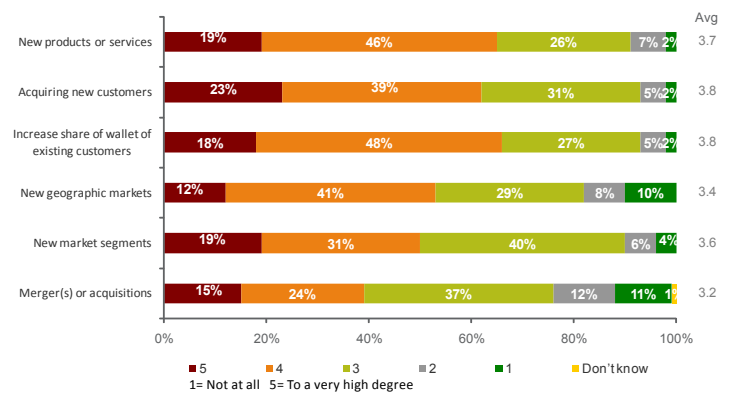
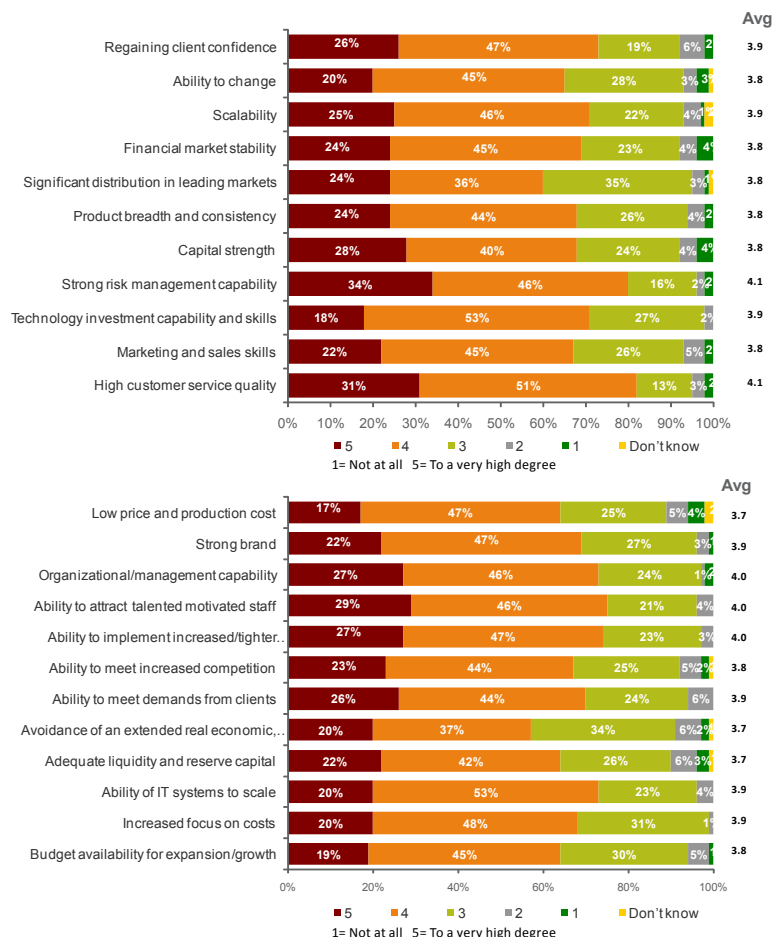


Fig. 11. Factors for future growth

There are many factors for future growth, almost all of which are considered highly or very highly important by at least two-thirds of respondents.

Q31. Please state to which degree the following factors are important to your future growth potential:

Base (n=100)



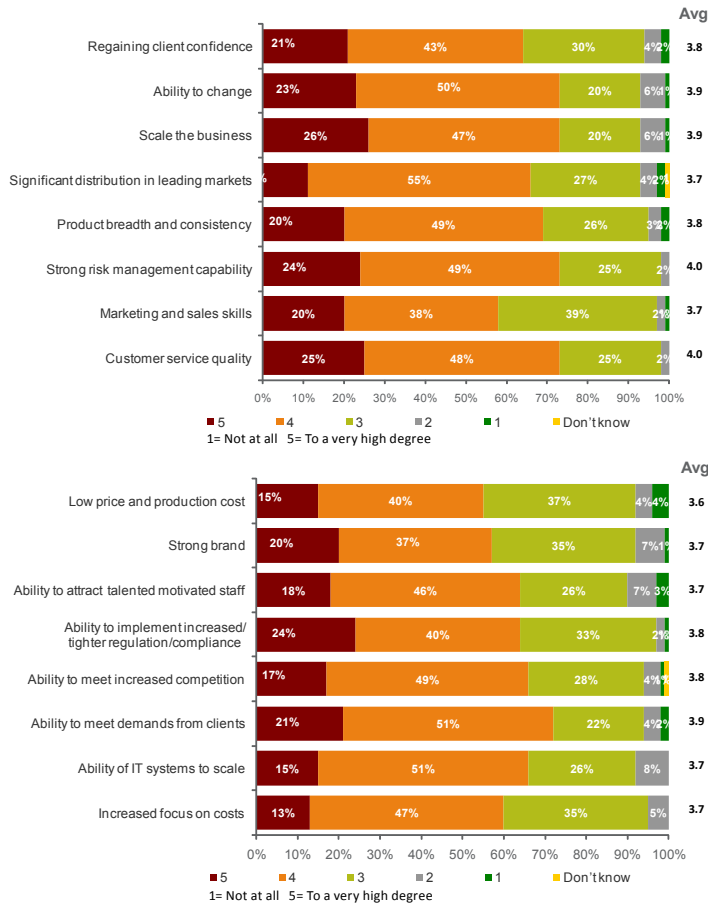


Fig. 12. Importance of IT infrastructure

Regardless of which growth factor is considered, the clear consensus is that IT infrastructure is an important part of ensuring that the growth factors are achieved with maximum effect.

Q32. Please state to which degree your current IT infrastructure is an important part of supporting the following factors related to your future growth potential:

Base (n=100)

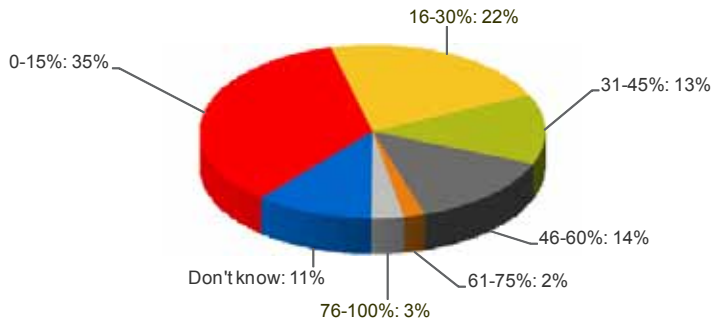


Fig. 13. Academic qualifications

The respondents are poised to turn growth theory into practice, with a third of respondents having at least 31% of staff holding advanced degrees in both finance and business administration.

Q35. Please indicate approximately what percentage of your organisation that holds both financial and MBA degrees.

Base (n=100)

Fig. 14. Growth inhibitors

As with the growth factors, a vast majority of respondents indicated that each of the factors shown in the figure will hinder future growth potential if not actively addressed.

Q37. Please state to which degree the following factors may hinder your company's future growth potential:

Base (n=100)

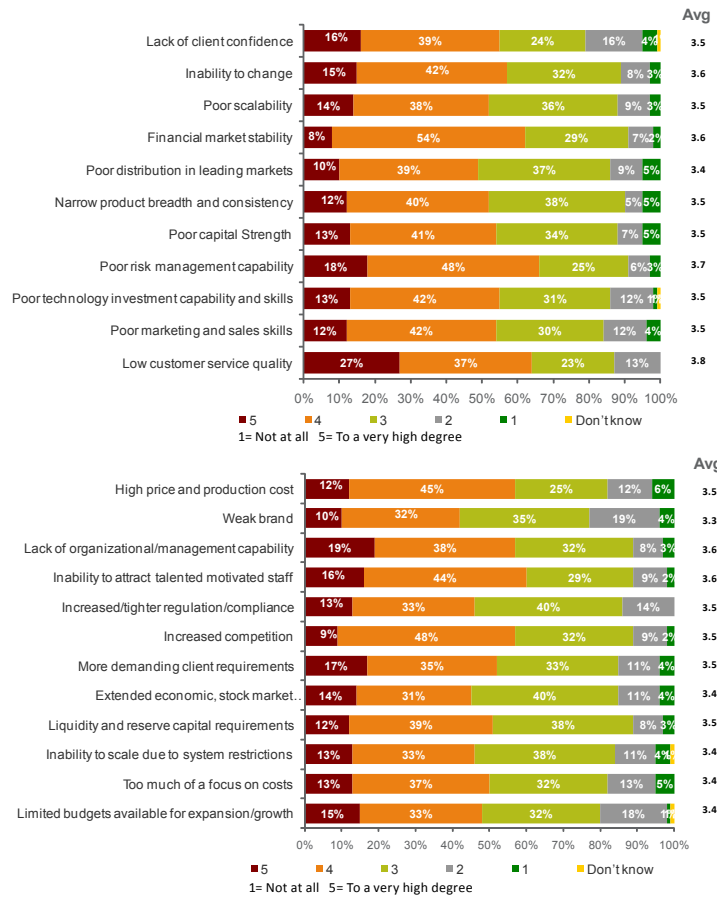


Fig. 15. Satisfaction with current investment management software

Following on the findings where respondents believe that they have the IT capabilities in place to support growth, almost all respondents are satisfied with their investment management software.

Q38. Please state to which degree you are satisfied with your current investment management software with regard to:

Base (n=100)

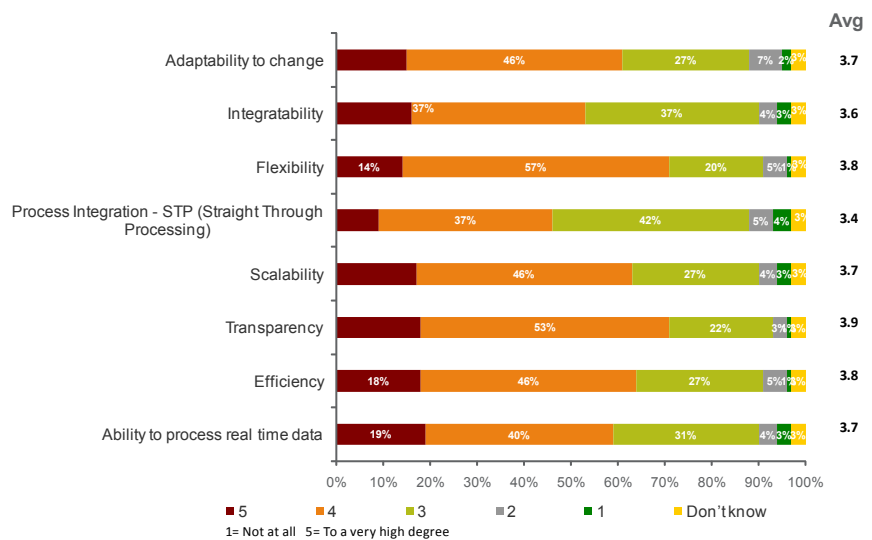
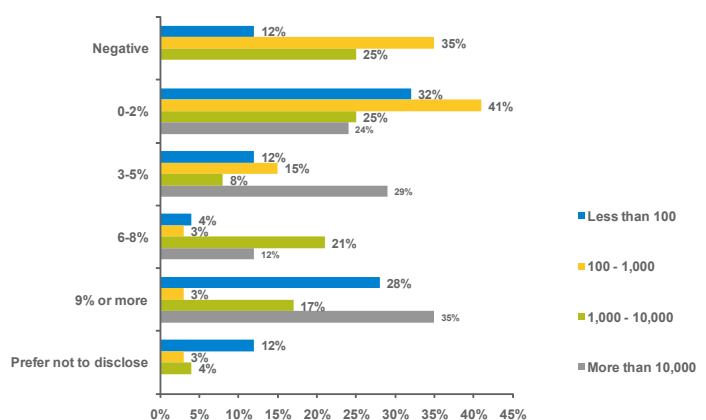


Fig. 16. Annual revenue growth crossed with number of employees

All indications point to having a larger number of employees as being synonymous with higher growth rates.

Q8. In the last reporting year, what growth percentages of your annual revenue has your company experienced compared to the previous reporting year?

Base (n=100)



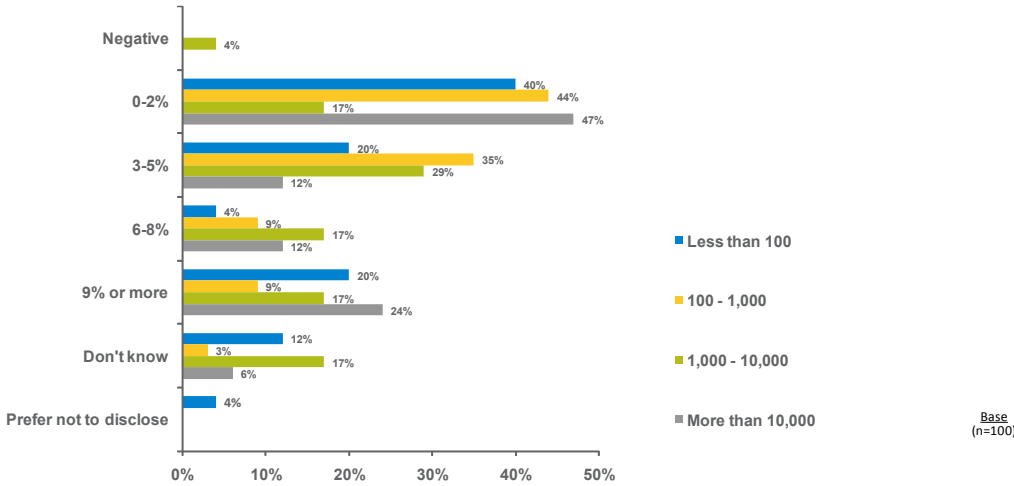


Fig. 17. Expected annual revenue growth crossed with number of employees

Going forward, it looks as though the trend of larger companies achieving higher growth rates than their smaller counterparts will continue.

Q24. What growth percentages does your company expect to realise in your annual revenue during the next reporting period?

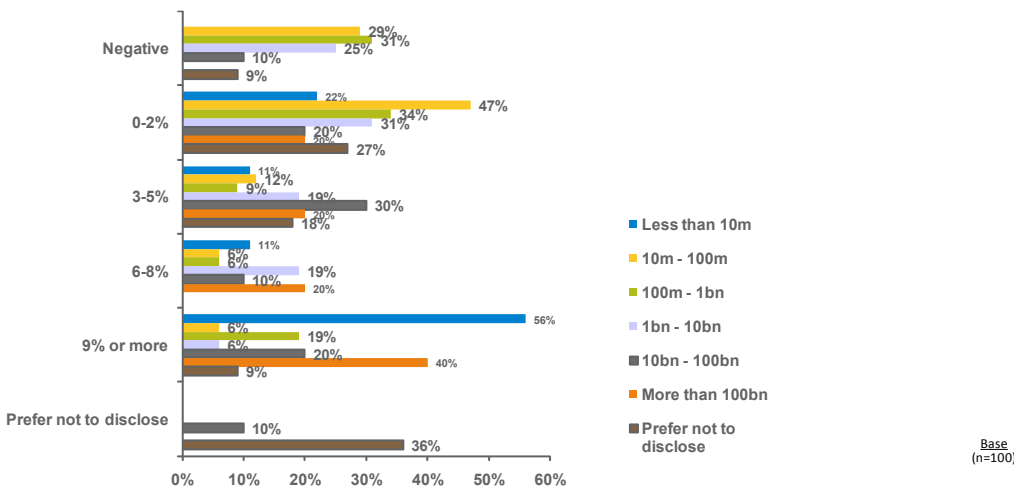


Fig. 18. Annual revenue growth crossed with 2009 annual revenue

As with the employee data, there is a trend toward larger companies (\$1bn annual revenue or more) achieving higher growth rates in fiscal 2009.

Q8. In the last reporting year, what growth percentages of your annual revenue has your company experienced compared to the previous reporting year?

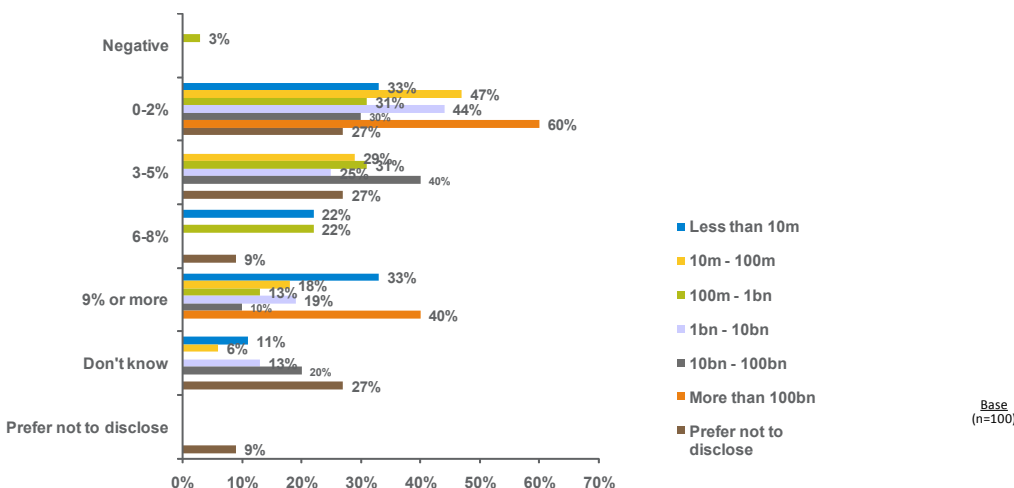


Fig. 19. Expected annual revenue growth crossed with 2009 annual revenue

The future reflects the past to some degree; the larger companies are more optimistic about revenue growth rates than their smaller counterparts are.

Q24. What growth percentages does your company expect to realise in your annual revenue during the next reporting period?

Fig. 20. Expected annual revenue growth crossed with top corporate priority

Companies prioritising cost management over risk mitigation and growth are far less likely to achieve meaningful revenue growth rates going forward.

Q24. What growth percentages does your company expect to realise in your annual revenue during the next reporting period?

Base (n=100)

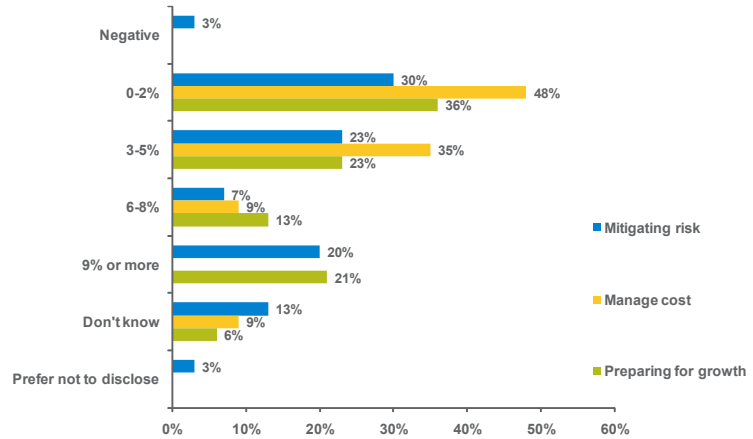


Fig. 21. Expansion plans (new locations) crossed with region

European respondents are much less enthusiastic than their North American and Asian counterparts when it comes to opening new locations.

Q14. Is your company planning on increasing its presence in new locations in the next 12-24 months? If so, by how many?

Base (n=100)

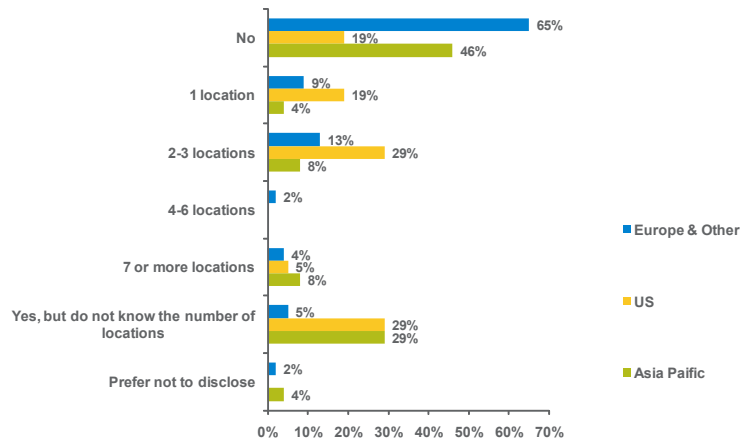
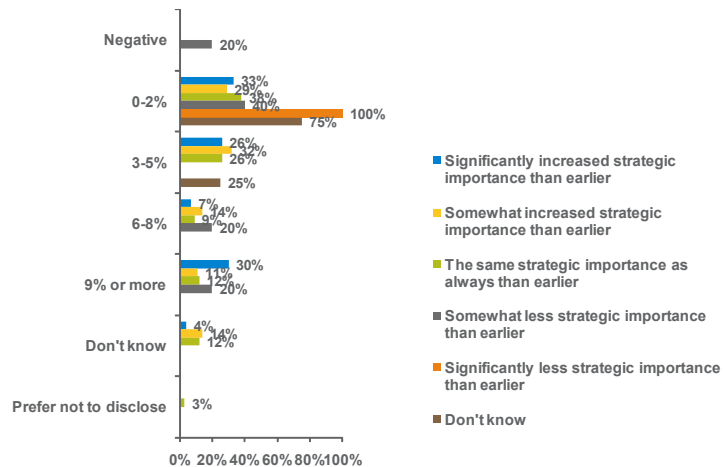


Fig. 22. Expected annual revenue crossed with strategic importance of growth

Those companies that place a high emphasis on growth as a driver of corporate strategy are most likely to achieve higher growth rates.

Q24. What growth percentages does your company expect to realise in your annual revenue during the next reporting period?

Base (n=100)



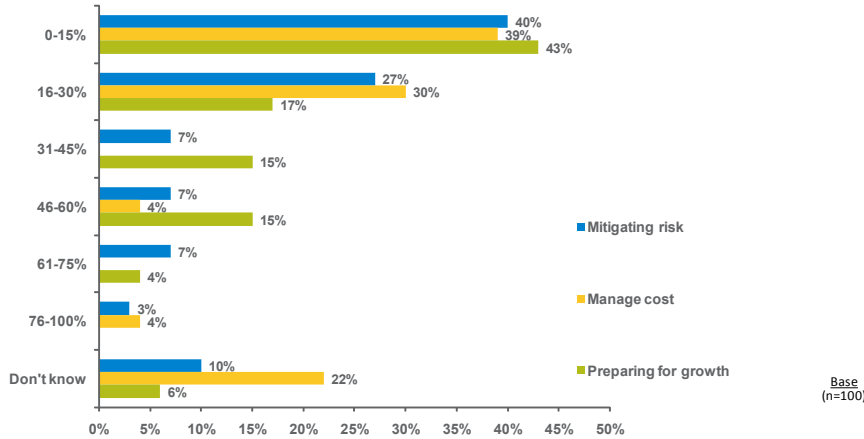


Fig. 23. MBA degree holders crossed with top corporate priority

Growth-focussed companies are far more likely to have MBAs on staff than those companies with a cost orientation.

Q34. Please indicate approximately what percentage of your organisation holds a Master of Business Administration (MBA) degree?

Mean summary	Fewer than 1,000 employees	More than 1,000 employees
New products or services	3.77	3.69
Acquiring new clients	3.59	4.00
Increase share of wallet of existing clients	3.73	3.78
New geographic markets	3.32	3.44
New market segments	3.59	3.49
Merger(s) or acquisitions	3.03	3.45

1= Not at all 5= To a very high degree

Fig. 24. Capability of IT infrastructure crossed with number of employees

When it comes to acquiring new clients or expanding geographically, smaller companies believe their IT infrastructure to be less capable than larger companies do.

Q28. Please state to which degree you consider your IT infrastructure capable of supporting your future growth strategy within the following areas:

Base (n=100)

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