



CONVERGENCE

OPTIMAL PERFORMANCE

AUDIT FIRM CLIENT MANAGEMENT SUPPORT SERVICES

Objective of the Service

- Increase client satisfaction by increasing client touches
- Increase cross selling opportunities to existing clients
- Identify clients at risk of moving business away from you
- Enhance training on client engagement

Description of Service

- We train client teams on how to use client “transactions” to convert them into commercial conversations that lead to sales. We provide ongoing support post training for up to 6 months or can support them longer, as needed (see Page 3).
- We train client teams on protecting clients from competitors by training them on how to speak with clients at risk of moving business away from you.

Description of our Methods

- Convergence refers to changes in your client’s business model as “transactions.”
- We teach the client team the commercial meaning of “transactions” and cross-reference them to appropriate Audit Firm services.
- We leverage predictive analytics to identify Audit Firm clients that are likely to terminate their relationship with or not award new business to an Audit Firm. These predictive analytics are based on advanced data science and AI techniques.
 - Please go to <https://youtu.be/Z4VQkXTZBDA> to learn more about our Clients at Risk predictive analytics.

Success Measures

- We believe in metrics and expect that they would include:
 - The number of meetings held with clients based on Convergence intelligence
 - New services added per existing client
 - Client, service or revenue generated versus the cost of the service.

Please contact George Gainer at 856-287-1681 for more information.



Understanding Client Transactions

We identify, organize (group) and describe client transactions using the following themes to map them to relevant Audit Firm services.

Client transactions are indicative of business changes that are likely to require fund support. Most client management teams focus their time dealing with day-to-day client support needs for a particular fund or issue and do not have time to evaluate the changes taking place across their business. Our client management services are designed to provide them these “insights.”

Adviser Activities

Based on changes in the asset manager’s business including changes in GP/Advisor ownership, legal entity structure, key personnel, headcount, clients, businesses, affiliates, geographic and locations in which they do business.

Investing Activities

Based on changes in the asset manager’s funds advised, types of funds advised, asset classes, AuM, client exemption status and fund domiciliation.

Regulatory Activities

Based on changes in the asset manager’s regulatory status and regulatory filings.

Service Providers

Based on changes the asset manager has made to their line-up of service providers including Fund Administration, Fund Auditors, Custody, Prime Brokers, Marketers, Compliance Firms, Transfer Agents and Trustees.

Governance Activities

Based on changes the asset manager makes to their Fund Board of Directors.

Risk and Complexity Profile

Based on changes to the asset manager’s complexity and risk profile including operational, compliance, service provider, regulatory event and human capital risk factors that Convergence tracks.



Predictive Analytics: Clients at Risk

Convergence’s “Clients at Risk” is a predictive analytic that consists of baseline identification, ongoing monitoring and periodic reporting.

Baseline Identification

- This predictive model identifies an Audit Firm’s clients that are at risk of moving existing Fund Audit business away from the Audit Firm to a competitor. It is designed to supplement existing Relationship Management work done to 1) keep existing clients from moving existing funds to another competitor (“switch”) and 2) keep existing clients launching new funds from awarding those new funds to a competitor (“diversify”).
- Our models examined the business profiles of 1,000+ Managers that made the decision during the last 10 years to either 1) switch or 2) diversify from an Audit Firm to a competitor. A Manager’s business profile consists of up to 70 unique business factors.
- The predictive model is then pointed at the Audit Firm’s existing client base to identify clients with a “Clients at Risk” business profile.

Ongoing Monitoring

- We refresh the model and monitor the “baseline” for changes on a semi-annual basis.
- We “push” those changes to you.

Reporting

- We provide periodic reporting on trends in your clients that are considered “Clients at Risk.” Includes an allowance of 10 hours of custom analysis provided.

Benefit

- Increase client satisfaction, specifically in the areas of thought leadership and proactivity.
- Reduce the level of client losses to competitors.
- Increase levels of new funds awarded to you from existing clients.
- Increase levels of cross-selling.