

# Strategic Insight and MFS: Trusted Partners

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**SI:** Larry, can you touch on the history of MFS's relationship with Strategic Insight?

**Levine:** MFS was one of Strategic Insight's first clients nearly 20 years ago. At the time, there weren't many firms offering the type of industry data that is perhaps taken for granted now. Over the past two decades, we have experienced a significant client, product, and asset expansion and our data needs have grown in complexity. Strategic Insight has expanded its capabilities allowing it to be able to support us and has always demonstrated a great willingness to listen to the needs of its clients and supply them with the tools they need to be successful. It does this very well.

**SI:** Research is an integral component of MFS's success. What factors are important to you when looking for a trusted data provider?

**Levine:** We want to make the most informed product and business decisions possible and quality market data is an important input. As a global asset manager, it's important for us to work with a company that is experienced in gathering data in many markets. The level of reporting outside the U.S., in particular, can be more complicated because of the different regulatory requirements and distribution models. For MFS, working with a provider that has a well-defined method of collecting data and can assure accuracy becomes very important. Strategic Insight always has been that type of provider for us.



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**Strategic Insight has a well-defined method of collecting the data. Beyond having a formula for coming up with the information, it has a process for ensuring its accuracy. This is something Strategic Insight does very well. –LEVINE**



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## SI: What type of data do you rely on in your day-to-day decisionmaking process?

**Levine:** Our analysis is made up of a wide range of data. Depending on the project, we could be looking at something as simple as assets and flows, or a more in-depth pricing structure, portfolio composition, or performance metric information. At MFS, our main priority is serving our clients' evolving needs. Simfund gives us access to industry data that are market-based and allow us to identify product, pricing, and market trends. We use that information to align our capabilities to these trends, which helps us better serve our clients.

## SI: Can you highlight a few of your best-in-class techniques for gathering and analyzing data?

**Levine:** At MFS, we start with the big picture and drill down into a more granular level of data to determine what's driving a particular trend. Simfund gives us the ability to customize the data universe to meet our own specifications. For example, isolating certain investment managers or share classes can be important depending on the type of analysis that we are doing. Over the years, we've developed several proprietary reports to help us assess our own product line, determine opportunities, and gauge the sales success of our offerings relative to our competitive universe.

When determining product opportunities, we've used Simfund to measure the size, level, and variability of the flows and management fees by categories. This allows us to assign scores and a weighting to these metrics, which results in an overall score for a category. We take that category score and contrast it with our own fund's performance scores, which helps determine where there are strong categories and how well our funds are performing in these categories. Additionally, it can identify an emerging category that perhaps we don't have a product in, but we might want to consider as a long-term opportunity.

## SI: How do you measure the impact that research has on the success of MFS's overall business?

**Levine:** A great measure of the impact is how integrated our research is into our firm's day-to-day business activities. This research is based on Strategic Insight data. The reports we produce are utilized on an ongoing basis throughout our organization on a global basis. Our senior management, product development, distribution, legal, and finance teams all utilize it.

## SI: Can you speak to the quality and integrity of SI's data?

**Levine:** Strategic Insight has a well-defined method of collecting the data. Beyond having a formula for coming up with the information, it has a process for ensuring

its accuracy. This is something Strategic Insight does very well. Strategic Insight has the ability to identify data that might be out of line. They will look a little deeper and make corrections if necessary. In the end, when a client sees a report produced by MFS, it reflects on us. Strategic Insight understands how important it is to ensure the highest level of quality in the data. Additionally, the open dialogue we have with Strategic Insight is very helpful in gaining a deeper understanding of what is driving the data.

## SI: What role does SI play in your overall approach to research?

**Levine:** We consider Strategic Insight to be a true business partner. It has been available to help us find creative solutions to capture data that allows us to ensure we make very informed decisions. Having one source we can go to for flows, performance and portfolio data from Morningstar and Lipper, sales data from the ICI, and company filings like prospectuses and annual reports is invaluable. Beyond data, Strategic Insight is a trusted source of industry knowledge. As a result of Strategic Insight's contacts around the world, it has been able to provide us with some good actionable information that we can use as part of the research process at MFS. I look forward to the evolution of our relationship with Strategic Insight for years to come. ■

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