

# Servicing the Financial Services Industry

An Interview with Peter Ellison, Founder, and Michael Ellison, Co-Founder and President, Corporate Insight



Peter and Michael Ellison

**EDITORS' NOTE** Peter Ellison founded Corporate Insight in 1992 to pursue his long-time interests in competitive analysis and financial research. Before this, Ellison served as President of Market Facts-New York (now Synnovate). He also earned a seat on the parent company's board of directors. He holds a bachelor's degree in Marketing from the University of Virginia.

Prior to joining Corporate Insight, Michael Ellison was an associate at Dealogic (formerly CommScan). Before this, he was a performance measurement analyst at Informa Investment Solutions (formerly Efron Enterprises). He holds a bachelor's degree in Marketing and Finance from Syracuse University.

**COMPANY BRIEF** Corporate Insight, Inc. ([www.corporateinsight.com](http://www.corporateinsight.com)) is a strategic marketing and consulting firm for the financial services industry with expertise in brokerage, mutual funds, banking and credit cards, and annuities. The firm was founded to address the competitive research needs of marketing executives in the financial services space. Its first report, the Broker Monitor Report, was developed in 1995.

**In 1992, when you first created the company, what did you see in the market that made you feel the timing was right to build the brand?**

Peter: When I first started Corporate Insight, I had reached a point in my career where I didn't want to work for anybody, nor did I want to have anybody working for me. At first the firm was pretty much a basic market research firm. In my previous job as President of Market Facts, I had started getting more interested in financial research and, after some time, I picked that back up at Corporate Insight. I was working on a project for a large brokerage firm, and I realized that the only way I could get the answers the firm needed would be to have accounts at multiple brokerages and gain a customer perspective myself. I discovered there was an SEC regulation that inhibits financial firms from having accounts at other financial firms. So they had no access to this information.

I started compiling the information into something called *Broker Monitor*. Then the Internet came along and we started an *e-Monitor* service and then *Mutual Fund Monitor*, and it continued to blossom from there.

**Would you give an overview of the services you offer, and do you foresee bringing additional services to the market?**

Michael: Our firm started out by analyzing the customer experience in the brokerage industry and, in the late 1990s, we added research evaluations of the mutual fund industry. Then we began monitoring the banking and credit card space and, most recently, the advisor experience at mutual fund firms. The majority of our research is on the retail investor experience or the consumer experience; with our advisor product, we look at how wholesale mutual fund companies are servicing the independent advisor. Because of NASD regulations that impact what financial firms can say to retail investors, mutual fund companies that sell their products through financial advisors typically have separate Web sites aimed at the advisors. These sites provide access to materials that are not approved for retail investors, but should help advisors build their business and understand fund products. Because of our experience and our relationships in the industry, we've been able to gain access to these advisor Web sites, which we then monitor and benchmark to help mutual fund companies improve their own advisor offerings. Corporate Insight recently started analyzing the annuity space as well, researching both the advisor and end-client experience. We're currently in the process of developing a 401(k) service, which will research what firms are doing to support plan participants at 401(k)s as well as the plan sponsor experience.

From there, as Corporate Insight continues to grow, I believe we will begin researching the insurance industry next.

**Have other players come on board and what is the competitive landscape?**

Michael: There are a few competitors and we all travel in the same circles, but one of the things that sets Corporate Insight apart is that we have actual accounts at the firms we monitor. Some other research companies rely on their own clients to provide them with test accounts. The problem with test accounts is that they often present only the best face that a firm is developing, an outdated interface, or an inaccurate depiction of the full, real user experience – it is a very controlled environment. Since we have actual live accounts, we're able to measure the true current experience.

Researchers will also sometimes rely on just their client firms or the industry in general to tell them what is new and changing. Since Corporate Insight is constantly monitoring our actual personal accounts at each company we research, and our analysts are pulling data from these Web sites

all the time, we're able to see industry changes right away. We often report on updates and new features to financial services Web sites before major publications. This is the competitive analysis our clients rely on getting from us so quickly.

Peter: One company, which is now our client, told us that they used to distribute memos to their employees about the changes to their Web site. When they became a client, they realized they should let us monitor their site and then forward our information to all their employees, because we knew more about what was updated on their Web site than they did.

**How broad is your client base?**

Michael: In any of the major channels such as brokerage, banking, or mutual funds, the top 20 to 25 firms within each category are our clients. There are probably 8,000 community banks, but the reality is a lot of them are very small and aren't going to be able to afford our services. So we focus on the top 25 to 50, and with few exceptions, the top 10 companies in each industry are all our clients.

**After the past 24 months of turmoil in the industry, how much of a recovery have you seen in your business?**

Michael: We're on track this year to regain everything we lost last year. We were still profitable, but in terms of revenue, we're on track to get to our 2008 levels.

One service that Corporate Insight provided as the crisis started was to track how our clients were presenting themselves to their client base. A lot of consumers were scared about their investments and we felt it was important to provide competitive intelligence to the industry to help show firms how to do the best job of allaying their clients' fears and letting them feel comfortable in the market. That made us invaluable.

**Is it a challenge to consistently demonstrate the value of your services without clear metrics in place?**

Michael: It is. We are not like an actuarial firm that can go in and prove cost savings. While our current clients can see the significance of our efforts immediately, as they remain on board longer, the actual value of our research tends to increase in multiple areas within the firm. We provide strategic insight for running the business for years to come, and that impact tends to deepen over time.

I recently got an e-mail from a client that said, "I cannot run my business without you guys." That, in itself, is a testament to the type of return we can provide. ●