

SWOT Analysis: What to Review? - Investment Manager Responsibility & Evaluation

A SWOT Analysis will identify internal strengths, weaknesses, external opportunities and threats to each component of your risk pool or insurer's investment process.

The SWOT analysis acts as a road map for future changes to the investment process.

Conducting a SWOT Analysis for each segment of the Investment Process Value Chain can be the best way to develop a blueprint and prioritization of how and where to improve the investment process.

Below are common practices and concerns when evaluating your company's investment manager(s).

SWOT Analysis: Investment Manager

Strengths	Weaknesses
<ul style="list-style-type: none">• Fixed income manager has experience in the insurance/risk pooling space.• The external manager provides significant resources; which would be difficult to duplicate internally given portfolio size.• Manager offers competitive fee structure and strong investment accounting services.	<ul style="list-style-type: none">• Fixed income portfolio has underperformed the benchmark over 3yr and 5yr periods.• The connection between the fixed income portfolio assets and company liabilities has not been outlined in reporting.• Reporting on performance, both nominal and risk adjusted, can be improved to cover important measures.
Opportunities	Threats
<ul style="list-style-type: none">• Consider utilizing passive funds for risk assets.• Are there any useful, beneficial insurance analytics the manager can provide?• Any potential asset classes that may require a specialty manager?• A fiduciary search to evaluate the current manager against the marketplace.	<ul style="list-style-type: none">• Potential conflict of interest as manager is responsible for performance evaluation.• Difficult for the majority of active equity managers to add value net-of-fees relative to a passive index alternative.

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