

Private Assets Products – What to do when considering a launch?

In our previous posts on Private Asset Products, we have talked about the characteristics, the demand, and the complexities. Here, we share a few insights as to what to think about when considering a new Private Asset Product launch, whether you are an established manager of such products, or venturing into this brave new world for the first time.

Key Considerations

- a) **Long Lead Time** - It will take you a long time to complete a Private Asset Product launch from the generation of the original idea to actual implementation. Lead-times are likely to be considerably longer than for retail funds, and this can be frustrating for managers and investors alike. Those asset managers with previous experience of launching Private Asset Products may have identified ways to streamline the process somewhat, but those new to them, are likely to encounter very long lead-times.
- b) **Governance** – You will need a strong change governance model to implement your Private Asset Products. There are multiple stakeholders (both internal and external to your organisation) who will have different opinions, priorities, accountabilities, and capacities throughout the process. All this needs to be strictly governed if you want to achieve a timely, smooth, and efficient launch.
- c) **Idea Generation vs. Practicality** – The initial product idea can be a wish-list. The practicality of delivering the product to that wish-list in the real-world will be challenging. It is almost inevitable that compromises will need to be made. Be prepared for that to happen, and for multiple iterations as the original idea morphs before becoming reality.
- d) **Killer Issues** – It is possible that part-way through the process an issue comes to light that so significantly impacts the original idea, that the product must be abandoned. It could be a legal, commercial, budgetary, regulatory, or operational issue that simply prevents further progress. Accept that this is a risk that may happen.
- e) **Resource** – Ensure that the resources you use or second to product development are the right ones for all key roles (Front Office, Legal, Compliance, Operations, and Project Change). In particular, your change project needs a strong figurehead to manage it with significant Private Asset Product experience, and the right level of backing/authority to ensure the project does not stall, and that the change governance model is effectively employed.

The road from idea inception to final launch for a Private Asset Product is a rocky one, and there are many things that could trip you up along the way. The examples above are just a few of the main considerations to make when you embark on your journey, and there are others. So perhaps before you begin your journey, think about who can best guide you to success.

Please get in touch with us should you wish to discuss how ISC Ltd can help you.

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