

Putnam to centralize funds marketing

By Lynnley Browning
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Putnam Investments, already one of the strongest marketing forces in the mutual fund business, is going one step further by consolidating and centralizing the ways it peddles funds.

Yesterday, the Boston firm named Louise R. Kuo to the new position of head of corporate marketing. The appointment reflects two trends at the nation's fourth largest fund house. Recognizing that fund performance is not enough to gain market share, Putnam is seeking greater influence over the various channels through which it sells its investment products. Secondly, Putnam had worried that the recent retirement of top executive William N. Shiebler, who turned Putnam into a marketing machine this decade,

might leave a hole in the firm's ability to grow.

Kuo, 35, comes from Prudential Investments, where she was a senior vice president in charge of marketing and strategy. She reports to Thomas J. Lucey, who heads the business side of Putnam's retail and institutional funds. Starting in January, Kuo will consolidate marketing in Putnam's four core units - mutual funds, institutional money management, defined contribution pension schemes, and international businesses. The groups have had their own marketing units, each with slightly different messages and approaches.

"I wanted to unify the message across all channels," Lucey said. No layoffs are planned, he said, although some marketing staffers will be redeployed within the company.

Putnam does not sell its mutual funds directly to consumers or

through "supermarkets," such as Charles Schwab's OneSource. Instead, it vends funds through banks, brokers, and financial advisers. Shiebler - whose successor, former Merrill Lynch executive Richard A. Monaghan, had his first day on the job yesterday - cultivated enviable relationships in those three channels as head of fund sales to individuals.

Putnam, with \$275 billion in assets under management and over 10 million fund shareholders, burst onto the investment scene in the 1990s with high performing funds and strong marketing. The firm, a unit of insurance broker Marsh & McLennan Cos., drew in \$21.7 billion in new cash last year, about 25 percent more than Fidelity Investments, the nation's largest fund house and Putnam's crosstown rival, according to Financial Research Corp. So far this year, Putnam is second in sales only

to Vanguard Group.

With those numbers, some might ask what needs to be fixed. "They're trying to beef up an area that has been well taken care of but never had one person handling it," said marketing consultant Geoff Bobroff