



HOW TO BUILD YOUR ETF TEAM

Launching an ETF business may seem like stepping into new territory, but the truth is, it's not drastically different from running a mutual fund operation. Most of the functions you need already exist in your organization.

However, there's one key exception: **Capital Markets**.

The Good News: Leverage Your Existing Team

For most functions—sales, operations, compliance—you can tap into your existing resources. This means you don't need to build a completely new team from scratch. But the areas where you will need to make strategic decisions are **Capital Markets and Sales**.

Capital Markets: The Cornerstone of ETFs

The Capital Markets function is unique to ETFs, and for most new entrants, it's the first hire they make. Unfortunately, a lack of understanding about this role can lead to costly missteps.

The role is often seen as operational, leading some to assume it can be handled by the existing Ops team. **This is a grave mistake.**

Capital Markets is not just about operations—it's the engine that ensures ETFs trade efficiently and attract investor confidence.

The Challenge: Finding the Right Candidate

Capital Markets professionals are often "jack-of-all-trades," excelling in some areas but not all. For instance, one candidate might be strong on the operational side but lack client-facing expertise, while another could shine with clients but falter on the technical front.

Investing in this hire is crucial. Get it wrong, and you risk undermining your ETF business before it even gets off the ground.

For a deeper dive into why this function matters, check out our report: **CAPITAL MARKETS: The E&T of the ETF Operating Model**.

Sales: Three Models to Choose From

Building your ETF sales strategy involves critical choices. Here are your options:

1. Dedicated ETF Sales Team

- **Pros:**
 - Instant expertise—your team hits the ground running.
 - Established client knowledge in the ETF space.
- **Cons:**
 - Expensive.
 - Risk of multiple salespeople approaching the same client, leading to inefficiencies.

2. Train Your Mutual Fund Sales Team

- **Pros:**
 - Minimal additional cost.
 - Maintains existing client relationships.
- **Cons:**
 - Takes time for the team to learn the ETF market.
 - They may not know ETF-focused clients.

3. Hybrid Approach: Hire ETF Champions

- **What They Do:**
 - Act as product specialists or ETF-focused salespeople.
 - Train and support the broader sales team, filling knowledge gaps.
- **Pros:**
 - Brings immediate ETF expertise.
 - Drives internal buy-in and champions the product across your organization.
- **Cons:**
 - Adds cost to your sales strategy

The Market Trend

Leading players like BlackRock, State Street, and Invesco are leaning toward option 3. They've moved away from segmented sales teams (mutual funds vs. ETFs) and instead embraced a wrapper-agnostic, client-solution approach.

Day 1: What Do You Really Need?

Very few firms have the budget to hire a fully staffed ETF team on Day 1. The key is to prioritize.

At launch, **Capital Markets** is your unavoidable hire. However, if your product suite is small and trading volumes are light, this role doesn't need to be full-time—yet.

Enter the "Unicorn" Hire

What if you could find one person who ticks all the boxes? A "unicorn" candidate could bridge multiple functions and set your ETF business on the right path.

Here's what they bring:

- Experience in portfolio management.
- Hands-on Capital Markets expertise.
- A track record of building an ETF business.
- Understanding of the ETF operating model and product launch process.
- Strong client-facing skills.

Such a candidate can oversee your ETF business during the critical early stages. As your product lineup grows and trading volumes increase, additional hires will become necessary.

What Does a Unicorn Cost?

Yes, unicorns exist—but they're rare. Given the breadth of skills and the value they add, expect to pay a base salary of £175k+ for this role.

The Long-Term Vision

As your ETF business scales, here's a snapshot of what your team might look like:

Resource	Amount required	Cost per hire
Capital Markets	2	GBP130k+
ETF Specialist	4+ [depending on target markets]	GBP 140k+
ETF Product Developer	1	GBP 120k+
ETF Marketing	1	GBP 100k +
ETF Operations / Platform Manager	1	GBP 120K+

Final Thoughts

Staffing your ETF business is about making smart, scalable decisions. Start with what's essential—Capital Markets and a hybrid sales strategy. Leverage your existing resources where possible, and when it's time to hire, invest in top talent to build a foundation for long-term success.