

CONSIDERING A REVIEW OF YOUR BROKER AND THEIR SERVICES? TO **DIY** or NOT?

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Whether you are running a Request for Information (RFI) or Request for Proposal (RFP) it is a robust process. As experienced search consultants for employee benefits and retirement plans, we know firsthand the commitment involved. Doing it yourself may seem like an attractive option and in some cases it is. But for many plan sponsors/ fiduciaries, you'll find hiring an expert is the right move.

Here are a few questions to ask when determining whether or not you should DIY the RFP or RFI process:



RFI or RFP?

The main difference in a RFI is it represents an inquiry into three to four areas of interest, they are brief typically no longer than four pages in length. These are often done under a blind search, this protects you so that there is no direct marketing towards your organization chewing up precious time and resources. Typically RFI's will focus on "identifying the core services" that an organization can provide to a company based on your demographics. In conjunction to core services you will gather intelligence on alternative services available, overview of the organization, the number of accounts, staffing and resources. Many clients we work with are interested in benchmarking compensation for services to compare to their current consultant and/or vendors to maintain a competitive edge.



Do you have the time?

When all is said and done, whether DIY'ing a competent RFI can take up to 50 hours and 100-200 hours for RFP from start to finish. Is your team prepared and able to put in the time? These projects are often discussed in board rooms and executive committees with every intention to complete, only to be put on the back-burner. Before you know it, it could be years since you first thought about conducting a search.

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Do you know what to ask, and how to discern qualified answers?

You likely know what you're looking for, but do you know how to find it? You can Google for downloadable RFI/RFP templates, some service providers offer them, which can be a good starting point, but these questions are often general or oriented to their best interests. We have found digging in and asking the right questions that serve your purpose is one of the most important parts of running an RFI/RFP, as is the ability to discern qualified answers.



Do you know how to benchmark and select candidates?

At the end of the day, you want to ensure the service provider chosen is the best fit for your organization. To do so, you'll need a clear strategy for comparing candidates, selecting finalists, and moderating finalist's meetings. Do you have the processes in place for evaluating and selecting candidates? Often DIYers go with the most prolific markets, not knowing who the best candidates available are. Are you experienced enough to know the difference between a good salesperson and a true consultant?



Have you incorporated technology as part of the process?

Today, everything is in the cloud, it only makes sense to leverage technology as part of your search process. Performing a search in a word or excel can be very challenging. The ability to control the environment, the process, the content and messaging and reporting is vital to a overall successful search.



Legislative Note

Effective 12/27/2021 as part of the Consolidated Appropriations Act, employers/plan sponsors are required to collect from brokers and affiliated service providers; a detailed list of services and fee schedule prior to renewal date (60 days). Plan sponsors will then have to determine whether the services and fees are "reasonable." Failure to perform this function is a prohibited transaction and subject to fines (\$100 per employee per day).

If you have the time, experience, and resources to devote to running your own RFI/RFP, the DIY option might be your best bet. If the above seems like a lot for your team to take on, you'll benefit from hiring an **expert** to run your search.