

Please note: This is an AI generated transcription - there may be slight grammatical errors, spelling errors and/or misinterpretation of words.

High Impact Retirement Plan RFPs Webinar

Greg Middleton: Hello. Welcome to today's webinar. The focus of today's webinar is High Impact Retirement Plan RFPs. We got some great slides and content to go through, but before we begin, there are some general housekeeping items we would like to review. You joined the presentation through your computer, and all the attendee lines will be automatically muted in listen only mode.

If you guys look at the the platform there's a section for questions and answers. It's a Q&A icon. All your questions will be submitted through the event-- to the event through this section. If you need closed captioning please click the small circle with the two Cs in the bottom right of the media player and all attendees' lines are muted.

We have a ton of information today. Again, if you have a question, please put it in the chat. We'll be happy to answer it appropriately. If you're submitting a question, it will not be visible to other audience members. And today's session is being recorded, so you will receive a copy of it afterwards, recording the presentation, and we have some additional materials to share with you as a follow-up for that.

So with that we will move forward and start talking about the content. So now that we've gone over the information, we'd like to welcome you to today's webinar which is focused on best practices for high impact retirement plan RFPs. My name is Greg Middleton. I'm the senior director of marketing at CAPTRUST.

CAPTRUST is a national retirement and investment advisory firm. We have over three thousand five hundred retirement plan clients, and those clients, their assets represent more than a trillion dollars in retirement plan assets. As a firm, we've responded to nearly six thousand RFPs since two thousand and two.

We've responded to RFPs from a multitude of organizations, ranging from startups, nonprofits, government entities, public and private corporations, higher

education institutions, and Fortune five hundred companies for their defined contribution, defined benefit, non-qualified retirement plans, in addition to their corporate cash, operating funds, and endowment foundations in either a single or multiple plan format.

And the assets for those plans range from less than a million to over six billion. So the team has seen a lot of RFPs, and on an annual basis, they're answering about twenty-five thousand questions a year, which is a pretty pretty awesome experience that we get to take and share with you today.

And so the purpose for today's discussion is to walk through a step-by-step process on how to conduct an advisor request for proposal or RFP and share some best practices that we have learned based on our experience. RFPs are still extremely relevant in the retirement plan industry when plan sponsors or committees are considering hiring or replacing an advisor.

At the conclusion of the webinar, our goal is to help all attendees have a starting point And a clear destination. Joining me for today's discussion is Joe DiBello. Joe is a retirement plan-focused advisor who's been in the industry for over 15 years. And I'm sure Joe has certainly seen his share of advisor RFPs.

Joe, thank you for being part of today's webinar. Thanks for having me, Greg. Looking forward to it. Great. We'll clear this. I think we just talked about that, but what does an RFP stand for? It stands for Request For Proposal. And again, the main takeaway for this is even if you want to make a decision the RFP is the price of admission for making that decision, getting to a finals, and selecting an advisor.

If you go through that you will have fulfilled all of your fiduciary requirements, and you're probably gonna have a great process and a great outcome, and that's what we w- that's what Joe and I are gonna talk to you all about today. And so for the topic today, it's really... it's two sections of content.

So for the next 45 minutes it's two topics. The first is we're gonna talk about request for proposal activity trends and benefits. We're gonna talk about why there's been such an increase in advisor RFP activity. I think I said that our teams has done 6,000 over the last 25 years. The team on an average does 700 a year, so the trend's pretty high.

And we'll talk about some of the the activity in the industry and why you should do an RFP. And second is we're gonna give you a step-by-step plan to ensure that you've got a sound process. We'll walk through and explain the major

components of an advisor RFP, and we'll give you a simple framework and checklist that'll make your process more efficient and easier to manage.

And so for some organizations it is a challenging and lengthy process to discuss this topic and get this point of the process. And so for the purpose of today's webinar, we're gonna assume that each of your organizations has already made the decision to proceed with some form of advisor RFP, and this will be your action plan to make it efficient and effective.

And so with that, let's begin. So the first area that we wanna focus on and start is why plan advisors are conducting advisor RFPs. So based on our experience, this trend has actually been building for years, if not decades. But when you dig under the layers, there's four primary reasons why advisor RFPs have become the norm.

First changes in their retirement plan which can be attributed to a number of factors such as overall growth of the plan or if an organization has completed a recent merger or an acquisition. Next is the increased complexity of fiduciary responsibility. This point has been discussed at length with respect to the topic of the fiduciary rule.

And some organizations may feel they are well-equipped to handle those responsibilities but most do not. Third is just general due diligence fee and service validation, and an understanding of the market for many retirement plans, the overall structure and size of their plan hasn't changed but there may have been some change with their retirement plan advisor or they may have been with them for the last five to seven years.

And so most retirement plan sponsors have received their 408(2)s but they don't know how they compare. And some are concerned about the growing number of fiduciary lawsuits, and others just wanna know what the marketplace has to offer. Finally, the need for a formal process. Plan sponsors need to demonstrate why they made certain decisions.

Some clients identify three expert advisors, interview them, document this and make a decision. Others go through the process we're about to describe. Some even include procurement and purchasing, which provides its own challenges, and we'll talk about some of that today as well. In addition to that, these are some foundational elements.

Some of the recent topical issues that have happened in the industry that have been a catalyst to why more organizations are doing RFPs. One is they don't

know if their advisor is conflicted. They need to understand what that means and why it matters. And there's a number of issues with that, specifically with investments and record keepers and advisors.

And again, we talked about this litigation since 2020 continues to grow and so it's important to be focused on that. Another catalyst that's driving it is vendor consolidation. There's a lot of vendor consolidation going on in our industry, so it's a good opportunity to focus on your services, your service model, and what type of support you're getting to see if there's better alignment for that.

Third is participant advice and wellness. Financial stress has been a huge challenge, especially since 2020 and so organizations are really focusing on that to address their needs. And also to attract and retain talent, they look for ways to enhance benefits. And then they look at the different demographics of their employees so they wanna offer personalized advice, and then they also wanna have competitive benefits.

Advice and financial wellness is important. And then finally, market volatility. You don't need to go back but more than two months to see how the market is moving. And being able to have good support, good advice is really important. So at a high level those are some of the reasons why plan sponsors are conducting advisor RFPs.

And then the benefits. These are the things that the benefits of doing it. First, it creates an opportunity to align your retirement plan goals with the advisory services and business models available. This is good because two major components can change. Your... Number one, your organization takes a different approach with respect to the goals of the retirement plan.

Or two, services within the industry have evolved and there could be better options available. Second is fiduciary risk mitigation. Simply said, you have a process and you followed it, plain and simple. Third is a better understanding of fees for services. This creates an awareness of different service offerings such as provider RFPs- Fiduciary training, participant advice, 338 or discretion or target date fund search is just to name a few.

And whether they're delivered in an a la carte fashion or as part of an all-in-one solution, and what's the associated pricing for each of those? Next is detection of trends. RFPs provide the ability for awareness and understanding of the industry or market and what other advisory firms are capable of offering, in addition to what they feel are important issues that plan sponsors should be thinking about or frankly addressing.

Fifth is benchmarking information. As we mentioned earlier, you know your number because you received your 408(2). This process will let you know if it's fair, if you have a fair number for your for your 408(2). And finally, inherent fairness of process. If you go through this process, it demonstrates the fairness and due diligence of your decision, and that if you have an advisor in place, they're qualified to address your organization's specific needs.

Joe, I just know I went through a lot. I- is there anything I missed or is there anything that you wanted to add for for catalyst reasons or benefits associated with RFPs?

Joe DeBello: Greg, I think you did a really good job covering, I think the majority of what we hear from plan sponsors in terms of the reasons why they go out to RFP.

I would tell you no one RFP is the same. We see a lot of variety although there are some consistent themes, as you've outlined. I would probably add to that list we've seen a lot of advisor turnover in our industry, retirements, change in personnel. I think you, you touched on the uptick in, in M&A and consolidation, so we've seen a lot of firms undergo ownership changes or consolidation, and that has been a big catalyst for RFP activity.

And I think you said it best earlier, th- the ever-increasing threat of litigation, always a big driver of RFP activity. But I think you did a really good job, Greg, of covering the primary reasons why we hear plan sponsors go out to market for advisory services.

Greg Middleton: Okay. Great. Speaking of the audience I wanna transition to the audience, and we'd like to ask a poll just to get a sense of what you all are thinking about and how you're thinking about RFP.

We'd like to understand your experience with advisor request for proposals. And so our first poll focuses on what experience you have with conducting an advisor RFP. And the options are none you have done an RFP, or you're planning to conduct an RFP within the next eight to 12 months.

So we'll give you guys 15 to 30 seconds to answer, and then we'll take a look at the results.

So on the screen, if you just select A, B or C that will give us your response. We'll give another 10 seconds

All right. Let's take a look at the results. All right, we've got about a quarter have not done an RFP about half of the group has done an RFP, and a little less than a third is planning to conduct an RFP in the next eight to 12 months. That's great because if they're listening today you can see that it doesn't have to be a long, hard, drawn-out process.

And hopefully we can give you and help with a few takeaways or best practices to help you when that process happens. And I have one other poll question. And again, wanna understand your catalyst. To Joe's point, we wanna understand what's driving your all's activity for RFPs.

So we'd like to understand why you're doing an RFP. The five options are: it's a benchmarking exercise, you're trying to address advisor conflicts, you have participant advice or wellness needs, market volatility, or no current advisor. So again, we'll give you the same timeframe, same process. And so if you're doing an RFP that's coming up, if you could just select this for what your catalyst is that would be very helpful.

Give you guys five, 10 more seconds.

All right, let's take a look at the results.

All right. Looks like 65% is a benchmarking exercise, a little less than 20 would address advisor conflicts, market volatility or no current advisor both are around 9%. Joe, what are your thoughts on that?

Joe DeBello: I think that pretty much lines up with what we see, Greg. Obviously, I think what we mentioned earlier with the uptick in litigation and the transparency that now exists both on the retirement plan side but also in the health and weal- welfare space has made plan sponsors a bit more astute buyers of fiduciary services.

So it doesn't surprise me that the majority of these are benchmarking exercises. But certainly interesting to see the uptick in folks concerned with potential conflicts of interest. And I think that is largely in line with what we're seeing.

Greg Middleton: Great. Thank you all for doing the poll.

Next, we'll focus on the roadmap and the plan to walk you through developing and executing your RFP. So the slide you're looking at represents what we consider based on our experience, a sound 10-step checklist. It's organized into three phases, and it will ensure that you have a well-thought-out and efficient,

and potentially easy advisor RFP process which will be appropriate for any organization or entity.

So I would ask you all to think of this slide as your essential roadmap. The first phase is preparation there are two main goals for this phase, and they are what do you want to accomplish? And this may not be clear up front, but it is good to think it through early recognizing that it may shift a little later.

And second is to gather the necessary content. Second phase is implementation. In this phase, you will assemble your deliverable, you'll identify the recipients, determine and finalize your response structure and fourth, distribute your RFP to your candidates. And the third and final phase is decision-making.

During this phase, you will focus on receiving and reviewing final responses, determining finalists, conducting finals meetings, selecting an advisor, and most importantly, documenting the process. And if you follow this appropriately, this outline will take what initially appears as an overwhelming process and turn it into an efficient and manageable experience with a positive outcome.

So let's focus on the first section, and that's preparation. First component that we talked about is determining the purpose and key stakeholders. So that really is who needs to be involved. The various functions or departments that could be involved or represented include legal, finance the CFO, the CEO, the HR director, the investment committee, and depending on the size of your organization, your procurement department.

And if you do please get them involved earlier because they have their own process they'll need to follow, and it's good to get aligned with that early. Next this could be a potentially large group of individuals that, that you have. Determine who's in charge and who's the primary contact.

It's really important as you move forward in this. It could be the same or it could be two different people. Third area to focus on is identify the needs of your organization and the goal of this process. It sounds pretty simple, but it is the most important aspect of this phase. If you can correctly agree on the purpose for this process, you will achieve a better outcome.

Fourth is to choose a review and a scoring process. Determine what criteria is most important to your organization, how you will review and evaluate the responses, and narrow your list of finalists. It's best if these parameters can be agreed upon and documented before the RFP is distributed. Next is agree on a timeline.

This is not only for the external responses, but your internal processes as well. Based on our experience, a majority of advisor RFP processes do not stay on track due to an underestimation of how long the process will take, primarily the review process. And finally, come to a consensus. After you've gone through these steps, please make sure you review the decisions, responsibilities, and timeframe with all involved parties associated to ensure agreement, and then move forward. If you can get this part of the process right up front, it will make the process so much easier.

Next, we'll focus on gathering the content and retirement plan information to include. So the second component is gathering the right information to help respondents understand as much as possible about your plan and your organization's needs. This can be accomplished in one of two ways. The first is to include some or a majority of the following documents as attachments, which include vital information about your plan.

And that, if you list them out, it's your IPS, it's your investment lineup, your fee disclosure or 408(2), the number of participants and demographic report, a recent quarterly review, summary plan document. If it's a DB plan, include the actuarial report and current agreements. So again, number one, you can just take everything that you have and attach it, or the alternate, the alternative is to gather the main data points from each of those documents and then incorporate them into the background portion of your RFP.

And again, the benefit of doing this is that you're gonna receive a much more targeted response because responding firms will have a better understanding of your plan. Joe, I know you've seen this on a variety of RFPs. Any thoughts on this content or this information?

Joe DeBello: Yeah. Yeah, for sure.

I think in particular one of the documents that you've outlined here, the fee disclosure this is one that oftentimes and maybe not often, but sometimes gets met with some resistance from the committee or the party responsible for issuing the RFP. And, one of the things that that I'd like to share and I think may not be public knowledge to most that run these RFPs is that fee disclosure in the request that comes from an advisory firm isn't intended to look at your current fee structure and come back and undercut your current fee structure.

That's typically not the goal of that request. Really the reason why that is so helpful during this process for committees and sponsors that are comfortable releasing that information is it allows advisors like CAPTRUST to review how

your fees are being assessed, ensure that your fee structure is taking advantage of modern practices, as well as allowing your advisory firm to identify revenue sharing payments opportunities that the firm may have to reduce costs, whether it be through mutual funds or perhaps exclusive pricing arrangements through collective investment trusts.

So that information can be very helpful in helping a plan sponsor understand where The advisors that you're interviewing may have some unique advantages or exclusive arrangements, or just feedback on how to modernize your overall fee structure. So again, for those sponsors that are concerned with releasing that information it's certainly possible to redact information on your current advisory firm and not necessarily a requirement, but it- to Greg's point, it can really help with the thoroughness of the responses that you receive and the specifics around your plan.

Greg Middleton: Perfect. We've got a question from the field. Will the slides be distributed to attendees? Yes. Slides and recording, and we've got some other resources that we'll share as a follow-up. Typically it takes us a day or two to wrap everything up, and we'll send that out. All right, so we've talked about plan information to include.

Next, let's talk about the actual questions. And again, this can seem daunting and it's about which questions to ask and where can you actually find them. And again, in addition to the slides you're gonna get an executive summary of the categories on this slide. You're also gonna get an industry-approved advisor RFP template at the end of this session that has questions covering everything I'm about to discuss.

So don't... take whatever notes you need, but just know that you're gonna get a version of this at the end. To start, I know this sounds simple, but the number one best practice that I can suggest, and it's gonna save you time and get the best responses, is to make sure that the questions you ask actually match the services that you're requesting.

I know it sounds simple, but it really creates a lot of clarity for everybody involved, and it creates a much better outcome. Typically, all of the questions that we've seen from the 6,000 RFPs we've responded to fall into one of these 11 categories. First is general firm information.

This addresses basic information about the firm, questions about its structure and history of the organization, and then what is its focus of business activities. Second section is client experience. A couple areas to focus on here. How does

a firm think about servicing clients? Ask for the experience and biographies of the advisory team that's responding, and then also ask about their current client base, and then be more specific and ask for experience with clients that are similar to you, whether it's the type of plan, the size of your plan or the industry or geography where you are.

And you may also want to ask for references in this section. Section three is legal and compliance. Pretty self-explanatory. You just wanna understand their focus for that and any areas that they need to disclose. Next is fiduciary status and support. Just- The areas to focus on here, ask the respondents directly if they consider themselves to be a fiduciary.

And if they do, what fiduciary status can they assume, and if they recognize that status in their contract. Those are the main things that you wanna focus on in this section. Next is investment consulting services. This can cover everything from investment philosophy to the development of an investment policy statement to manager selection and due diligence to how they score investments or other service providers and how they conduct their performance reviews.

Six is committee training education for their groups. This is where you'll want to understand what training or education is offered to your committee. And not only what they offer but what resources they provide to help you with your fiduciary role and responsibilities. The next category to focus on is provider experience.

Here you want to understand how the organization addresses its relationships with the provider community and the potential impact for you as a plan sponsor, like help with negotiations, services, and pricing. Eight is participant services. You wanna understand the services and resources each firm has to address the needs of your plan participants and also whether they can provide advice in addition to education and guidance, and if that extends to your highly compensated employees.

Next is differentiators and culture. This is the place to ask what makes a firm special, different, or sets them apart from other firms. We see a lot of plan sponsors ask about mission and company culture in this section because if you're going to start a lasting relationship with an advisor, it really helps if your culture and ethics are aligned.

And while we're discussing culture and ethics diversity, equity, and inclusion is a very important topic that a lot of plan sponsors have been asking for. So I

would include it if it's aligned with your organization's mission and goals. Next is the fee and service proposal.

Here you should ask responding firms to specifically list out the proposed services, the fees associated with those services, and what additional services they might offer outside of what you've already requested, and any extra fees that might occur for those services. And the final section is information technology and data security.

This has been extremely prevalent over the last couple years, but data breaches and cyber attacks can have a catastrophic impact on an organization and an individual, especially when it comes to their financial information and personal information like their birthday or Social Security number.

So again, these are all really important things to focus on. Joe, any other sections that you wanna to highlight or add to?

Joe DeBello: Yeah, Greg, I-I have a couple thoughts and maybe just double down on a couple things that you said specific to making sure the questions you ask match the services you are requesting.

From time to time, we do see RFPs come in from plan sponsors that may be in somewhat of a unique arrangement where perhaps their record keeper or an administrator has an all-in-one bundled offering where they are playing either the role of a fiduciary at the plan level or providing similar services in a non-fiduciary manner.

So it's important to understand the firms that you're soliciting, what the role that they're going to play is as a true retirement plan advisor. And that would obviously exclude administrative-related tasks like loans, distributions, and things that are typically handled by your administrator. So ensure the scope of your RFP lines up with the traditional retirement plan advisor services.

A few other thoughts, Greg. One be clear on the 321 verse 338 services if you're looking for a co-fiduciary arrangement or you're looking for that discretionary full outsourcing that a 338 investment manager can bring or both if desired. And that's a pretty common theme that we see in a lot of RFPs.

But I would take it a step further. Certainly, if participant advice and education is in scope, you wanna be clear that fiduciary relationship extends beyond the plan sponsor level and out to the participant and really getting into the weeds in

terms of how that would operate. And then last but not least, fee and service proposal.

I think something that is incredibly relevant in today's environment is really diving in deep and understanding where the advisory firm's compensation is derived. We talk a lot about both direct and indirect compensation. We see oftentimes questions on RFPs that will ask the advisory firm responding whether or not they receive compensation from service providers or from any source outside of the fees charged to the plan sponsor.

And many RFPs stop just at that. And I would recommend going deeper. Ask the tough questions. Ask about indirect compensation. And what we mean by that is, is you, is your firm or your advisor generating revenue in ways that may not be on the surface level apparent? And what do we mean by that?

Could be marketing support, sponsorships paid due diligence trips. You really wanna understand how your advisor is arriving at the recommendations that they're making for your plan sponsor committee and asking those second-level tough questions about some of those indirect forms of compensation that can surely put a fiduciary advisor in a difficult place. When it comes to putting your plan and participants first is something that is becoming increasingly important both in the retirement p- plan space as well as the health and welfare space.

So again, I would urge committees and plan sponsors to go deeper on that question and understand all revenue that is derived from the firm that you're speaking with.

Greg Middleton: Th- yeah, that's a great point. Transparency is key, especially when it t- comes to to compensation. Again, very dense amount of information that, that we just went over.

There's 11 sections. We're gonna send you all templates, and again, the first is from the Retirement Advisor Council. This is an independent third party organization that I wanna say maybe 10 years ago they created the industry standard RFP template. And they have great questions for each of these categories that, that we just reviewed.

So that'll be included. And the other resource is from the Department of Labor. It's a fact sheet titled Selecting and Monitoring Pension Consultants, Tips for Fiduciaries. It's also available on DOL's website. Again, these are two great pieces that will be a really good starting point for your questionnaire as you put that together.

Okay. Next, determining and finalizing your response structure. So we've talked through the preparation process, and we've gathered the appropriate questions and information to include. Now let's shift gears and focus on the implementation process. And the first step is assembling your deliverable. So based on our experience, majority of RFPs can be organized into these five sections.

The first is the introduction, and it needs to address two areas. The first is to provide an overview and background of your organization. The other area to address is the purpose and scope of the RFP, which explains why you are conducting this process and what you're looking for. The next section covers general information instructions about the RFP process itself.

Content listed in this section includes the RFP schedule, which specifically list out milestones and deadlines, and the primary contact for all questions and communications. The final section should address requirements of the response that discusses the parameters, how you want the response organized, packaged, and delivered.

The third section of your RFP should provide an overview of what you are looking for and what the specific requirements would be. This section is where you would include specific information about your retirement plan and the specific scope of services you are seeking as part of this exercise in as much detail as possible.

As part of this section, you should in- consider including a set of minimum respondent qualifications, which could eliminate some respondents and ultimately save you time. The final content to include is how your organization will rate the performance of the advisory firm and what your preference is for interaction and ongoing reporting for the services the responding team is providing. The next section will include specific questions you would answered, organized for responding firms in a logical way.

And the fifth and final section will contain any supporting materials like plan information or client agreements that you wanna include. All right. Next, we're going to assemble your deliverable. So now that the RFP has been constructed, here are a few things you may wanna consider before you hit the send button.

First, before you share this information, again, some of your RFPs, if you're gonna include information about your plan you may ask responding firms to sign an NDA in advance of even getting the RFP or participating in the process. Next, what about a cover letter? One tip clients have told us that's made things

easier for executives in the process was requesting a cover letter or executive summary to be included, which details the responding firm's main points and takeaways.

And if your organization requires procurement, again, be involved in the process and get them involved early. Next, how do you want the response delivered? Do you want it electronically or do you want hard copies? Both? Or how many? And if you are requesting hard copies, how do you want them delivered? Do you want them in an envelope?

Do you want a three-ring binder? However you choose, just be very specific with your instructions. And for other instructions, will there be any page or word count restrictions? We typically only see this if a plan sponsor is using a specific format such as Excel or an online platform like Ariba. And then regarding pricing, some organizations may not want pricing to be a major driver until the end, so they ask that pricing is submitted in a separate file or envelope only to be opened after the rest of the response is reviewed and discussed.

And some plan sponsors also want bidder feedback on their contract up front, as they feel that could save them time on the back end. And last, do you want to allow samples and other marketing materials? Most firms will wanna show you all the great things they can do, which could result in a lot of materials for you to read, some of which is unnecessary.

If you wanna limit additional deliverables only to the ones that were requested, please say so. So now that you've assembled your deliverable, and I tell this to you from personal experience, please proofread it and then give it to somebody else outside of your group to review it one last time before you spend...

send it. And then the last item to address, which is a trend that's really evolved over the last three to five years, is if you don't wanna do the process yourself you can certainly outsource it to a third party service. And there are different services out there and some of them can just facilitate the submission and execution and management of documents or they can actually outsource the entire process to them and they could facilitate all of it for you.

So again, things to think about as you're working through. Joe, anything else that you wanna add on this topic for putting together the actual RFP?

Joe DeBello: No the one thing I'd add, Greg, and I think you, you did a pretty good job explaining it here, is that these RFPs can obviously get very lengthy.

And you spoke early on about the overwhelming majority of RFPs oftentimes falling off their stated timeline. And a lot of the feedback that we get from plan sponsors is just the volume of information that has been received is a bit overwhelming. So I know we're gonna speak about that in a moment, but, think carefully about what's really gonna be meaningful to your decision.

To Greg's point we can put as much marketing and sample material as you could possibly consume in an RFP response, but if it's not going to be meaningful to your decision be clear on what types of sample material a- as well as even the number of questions you ask as well. Greg that's about all I have on that topic.

Greg Middleton: Okay. Awesome. It's a great, it's a great segue. It's like we had talked about this. So if you think about the number of RFPs to, to review and how much information's in there, you also need to think about how many individuals you're gonna include in the process. So now that you've got all the details worked out and you've got your RFP packaged, who do you send it to?

On average, most plan sponsors include probably 6 to 10 in the process. I wouldn't let it go much higher because, again, you still have to review all of those responses. And so the question is: how do you come up with your list? And do you ... If you have an incumbent, do you include them as well?

There's five areas that that we think are good sources to think of. So first, k- key stakeholders. So you've got other executives in your organization. You've got other committee members that had experience with advisors in previous locations. Talk to them and ask them if they have a name they wanna recommend or somebody they've worked with in the past.

Next is industry publications. There are a couple really good publications that provide annual directories of retirement advisory firms and firm information like Plan Sponsor magazine's Annual Consultant Survey, and I know Pensions and Investments also does a consultant directory. So again, a lot of good names out there to pull from.

Third would be your current service providers. So they work with a ton of advisors. Ask them who they would recommend. And that would be a really good recommendation because they already know your specific goals and objectives, and they can give you a good name or two that would help round out the list.

Fourth are your peers. So touch base with your professional networks and also within your industries and in your local geographies and see if they have any recent experiences they could share. And again the final one, as we discussed previously, if you engage a third party consultant, they've got a pretty set list that they can expose you to and give you recommendations.

Joe, anything to add for this for folks to include in the process?

Joe DeBello: No, I think you nailed it, Greg. Your service providers can always be a great source, and if it's an area that you're not comfortable in you mentioned it earlier, Greg, there are plenty of third-party search consultants that do this for a living that can certainly connect you with qualified advisors.

And Greg, I did see that a question popped in just regarding the NDA. The question around whether or not the NDA should be signed before providing the plan information. I know you may have your thoughts on that. I would say that's typically what we see in the process before any information about the plan whether it's sensitive information or not, we typically have those signed off on before that is released to the responding advisory firms.

I don't know if you feel any different, Greg, but that's typically- No ... what we see.

Greg Middleton: I think it's standard practice now. You just, It's the price of admission to even get to this process. Yes it's extremely common. All right, moving along. Let's focus on the final element of the implementation process, and that's you're gonna distribute your RFP, you're gonna manage the intent to bid, and the Q&A portion of the process.

So once you've sent the RFP out to your selected group advisors, it is best to include some language in the email asking the recipients to acknowledge that they've received it. And you should include deadlines for an intent to bid process and for any questions to be submitted. These deadlines can be copied and pasted right from your timeline within your RFP.

And then by including an intent to bid option for questions, you will have a higher probability of getting sound responses from quality firms. And then once the question deadline has passed and you've received all of the questions, it's easiest just to copy them all into one document with the answers and then distribute it to all of the firms who acknowledge their intent to bid.

Regardless of if they asked a question or not you're distributing all the information out equally, and that way you don't have to send out multiple emails or respond to the same question multiple times. And typically a good timeline for a final response submission is about three to four weeks after you've issued your RFP.

And again, I know timeline timelines shift because of different objectives or things to focus on, but in general, three to four weeks is a good timeframe. All right, moving into phase three. This is the final phase of the process, and it's focused on decision-making which starts with reviewing final responses and then determining the finalists from that list.

First, as a courtesy acknowledge receipt of the response that you're gonna go through your review process and that you'll be in touch. You'd be amazed how much time and energy the groups- who were responding put into it, and just getting that back to hear that, "Hey, we got it, and we'll follow up," is awesome.

And just like the bullet says try not to get overwhelmed. Again, you're gonna get a bunch of stuff back, and your immediate reaction is likely to be one of surprise at the variation of packaging heft and thoroughness of the responses you've received. Again, if you follow your agreed-upon process from the beginning and schedule, you'll be just fine.

Couple of tips to help with the process as you look at the responses. Number one is look for advisors who frame their responses as solutions or focus on outcomes rather than just listing their backgrounds and capabilities. Number two, beware of check-the-box answers to questions where every respondent could say the same thing.

And third, look for responses that go deeper, either by evidencing an understanding of the challenge you framed or illustrating the unique advantages they can bring to your plan. And if there are areas you need clarification or further explanation for, it's okay to reach out to firms for this information.

They don't mind providing a follow-up, and frankly, they'll jump at the chance to give you additional context and detail. And once you've reviewed all the responses, please communicate internally and try to narrow your list as soon as possible. Joe, any thoughts on this part of the process?

Joe DeBello: I think your comment on following your predetermined process is key.

Y- it's... can be very easy once the responses come in to start to veer away from your agreed-upon process. And I always remind folks, remember this obviously is an exercise where you're trying to evaluate service providers and provide best-in-class services to your employees, your people, and your plan, but it's also a fiduciary exercise, so having that consistency in how you have applied the criteria.

You always wanna think about someone, years down the road that wants to challenge your decision around your service provider that you've selected. Always think that a regulator or an attorney or a litigator's gonna read through your documentation and how you evaluated these advisors. So through that lens, being consistent with not only the information that you've shared to the respondents but how you've evaluated them will really put yourself in a position that demonstrates you had a very prudent, well-documented and consistent process for evaluating service providers.

Greg Middleton: Awesome. Thank you, sir. All right. Finals meetings. Making a decision. First thing you wanna focus on is a lot of people ask, "How many people should you include as a finalist?" A three to four is, is relatively a good number. But again, as you think about it you gotta schedule meetings with all of those individuals, whether it's virtual or it's in person.

However your organization can, Whatever your capacity is for that's where I would think about it. But again, three to four is a good number. And, as a best practice review the list that they've distinguished themselves from the pack and they've got no apparent red flags.

And if you feel good about that list, the next step is to communicate to the firms that have been selected as a finalist. And it's also best practice and a courtesy to inform the firms that were not selected and offer feedback to them once the process has concluded as to why they were not selected.

So the final step for that is really to coordinate logistics for finals presentations and ensure that internal decision-makers are available and prepared. And so for the finals meetings this really represents the near end of your process. And what you need to think about is focus on, we always talk about fit. Having a, an advisor relationship is really about fit. And if you've screened or narrowed this list of 10 down to three or four, you really wanna get an expectation or frankly an understanding of what it's like to work with them. And you really don't want them to rehash everything that was in the RFP, but you wanna give them very specific topics to address.

What are the things that are most important for the people in that room for 60 minutes to focus on? And I would suggest highlighting a couple of real issues that you're thinking about or that you are navigating or that you're trying to solve, and ask them their thoughts on it or experiences that they've done with that.

And just see how the interaction goes. See if that advisor brings themselves or an entire team. And for the people that are there, are they actually engaged? Are they just there for window dressing? And how does the entirety of your organization feel, the people in that room feel that person is aligned and is a good fit for what you're trying to solve as a fiduciary and what type of retirement offering you're trying to provide for your employees?

And once you've gone through that internally and you're close to a decision, I would check references if you ask for them. And if appropriate, and it's like a, you can't narrow it down between one or two, I'd ask for a site visit. Either go to their organization in person or virtually to meet their professionals, their subject matter experts and their senior leadership.

And again what you wanna focus on is making a decision. And then once you've made your decision or at... you've gone through this process, hopefully there is a clear winner, in that you've engaged, you've, you've- Connected, there's a cultural fit and they've had creative ideas and it felt good.

And if you're there, make sure you communicate that decision to all the finalists offering congratulations to the winner, and again, offering feedback to the other firms as to why they haven't been selected. And then again, as the last bullet says, documenting your process. And so to create an easy decision-making and documented process, you wanna gather up all the emails, all the communications, the notes, the questions, the answers, responses to the RFPs, samples, supporting materials, presentations, scoring sheets, meeting minutes, feedback, reference checks, et cetera, from everybody involved, and just get them organized into a functional repository so to Joe's point, when somebody wants to know why you chose that advisor, you can show them.

Joe, any thoughts? You've been the closest to, to all these multiple finals meetings and RFP processes. What else would you wanna share as an observation or best practice?

Joe DeBello: Yeah, y- you said a few things that got my wheels turning, Greg. The first w- first thing that you said was not rehashing the RFP in a finalist presentation.

I, I think, one, some of the most effective and engaging finalist meetings that we've participated in is where we've had the opportunity to walk in and really not rehash the RFP not go through the entire firm's history and our structure and our statistics about how many plans we have. That, that is the purpose of the written RFP, right?

So we really want that finalist meeting to be a conversation and get to know the committee get to know us having the committee come prepared with questions about their plan, about what working with that firm would be. And then to take it a step further, as you're planning the finals meetings, I think being very clear about who you would like to have attend from the finalists, right?

It's easy for firms to fly in a bunch of executives that may be there during the finalist meeting, but you may never see again in the entirety of your relationship. So I think having the folks that you're gonna be working with day in, day out, people that are gonna be working with your people, your employees, getting to know them and how they operate is important.

If you want an executive presence there, that's certainly fine, but I think really getting to know the team that you're gonna be working with is key. And then Greg, you said it, document your process. In today's workforce, it is it's very rare for folks to stick around at organizations for many decades.

And so when you're documenting these decisions, you should assume that everyone on the committee's gonna be gone in three years, right? And so if someone steps into that committee brand new, they should be able to read your deliverable, your documentation, your minutes, and understand exactly how and why you chose that finalist or that w- award winner of that RFP process.

So y- it's not enough to say, "Hey, we chose CAPTRUST." You wanna say, "We chose CAPTRUST because," right? Add that context so that those that come after you understand exactly how you arrived at the decision, and it'll put those folks from a committee succession perspective in a much better position to evaluate your service providers going forward.

Greg Middleton: That's kinda scary, Joe. It makes me, You said everybody turns over every three years. I'm kinda worried. I hope you and I are still here in three years. I think I should be. Not

Joe DeBello: at CAPTRUST, right? Yeah, not here. But maybe elsewhere. Not

Greg Middleton: here. All right. So we got about 10 minutes left home stretch.

We wanna focus on Q&A and address any questions. But again, to summarize everything we just talked about walking through the process that we outlined just a reminder, hiring an advisor is a fiduciary decision. So as a fiduciary, you should follow a well-thought-out and thorough plan, and to Joe's point, document each step of the plan from creation of your deliverable to your final decision, and then show how your selection's in line with your goals and objectives.

And so with that, we'll open the floor up to questions from the audience for anything else that we could address or any other questions that you all would like discussed.

All right. First question that came in "Is there an issue if our review process or decision process is delayed?" No. It's it's like we said before it's extremely common to be delayed. Just just reach out to every, all the parties involved, all the respondents, and just, just give them an update.

Say, "Hey, we're behind." If you have an update, if it's two weeks, if it's four weeks, whatever it is, just just let them know. Next question: "What, which sections or questions should I include?" It all depends on what your needs are. It depends on what type of plan you have, and it depends on what you want the process to solve for your organization.

This is yeah, this is very timely. "How does AI or ChatGPT impact the RFP process?" It affects it a lot. But I think the easiest way to think about it is I would use it as a companion for your process as opposed to a driver of your process. I think if you have a focus and you've got areas that are directionally accurate, ChatGPT can absolutely help fill in some of the gaps.

It... But it depends on, and this is true for any... And we're learning this ourselves with AI, it really depends on your prompts and your inputs 'cause you gotta structure your questions the right way and put the right information in. So for example- If you're looking for names one of the ways that I would to ask it is to say, "I'm a retirement plan sponsor for a \$50 million defined contribution 401plan doing an advisor RFP.

Which retirement plan advisory firms should I include in my process, and which specific advisors should I consider from those firms?" And I think you'll see a good start in ChatGPT, Claude, Gemini, all the different ones. It'll also ask you additional questions to kinda narrow that list. So there's a version of that you could work with.

It could give you tips and suggestions on questions. Again what we're gonna send you is gonna be a good baseline, but if you wanna add to it, I would use AI for that. And then any other piece that you just need some guidance or direction on it's helpful. But again, you gotta focus on what you've already assembled what are your prompts and what's information you're putting in, and then it can absolutely help facilitate those last couple of decisions that, that you gotta make.

So-

Joe DeBello: Greg, I could see it being helpful just to organize the responses. Using it as a way to, to kinda aggregate all the various documents you've received. I can certainly see it being helpful there. But I think to your point we definitely don't recommend using it as a basis to narrow down a recommendation as well.

So u- using it for organization can be helpful, but relying on your human judgment for that selection process I think is still key.

Greg Middleton: Yeah. But again, AI is here and can certainly be helpful. I don't see, I don't see any other questions. We'll give it a- another minute or so in case anyone has anything else that they would address that we haven't covered.

And again we will send a recording of today's webinar with the presentation, with the sample RFP template from the Retirement Advisor Council, the Reviewing Pension Consultant Overview from the Department of Labor and then the other pieces that we'll include also include the overview of the 11 basic categories and what each of the questions should focus on in that section, and then an overview of the five core sections for assembling your RFP and what should be included in there.

And if there are no more questions, on behalf of Joe DiBello and myself we deeply appreciate your all's time today. Thank you for spending it with us, and we hope the information has been helpful to help all of you with your future advisor RFP processes. Joe, thanks for being part of today's webinar.

Joe DeBello: Thanks for having me, Greg

“CAPTRUST” or “CAPTRUST Financial Advisors”) is an Investment Adviser registered under the Investment Advisers Act of 1940. However, CAPTRUST video presentations are designed to be educational and do not include individual investment advice. Opinions expressed in this video are subject to change without notice. Statistics and data have come from sources believed to be reliable but are not guaranteed to be accurate or complete. This is not a solicitation to invest in any legal, medical, tax or accounting advice. If you require such advice, you should contact the appropriate legal, accounting, or tax advisor. All publication rights reserved. None of the material in this publication may be reproduced in any form without the express written permission of CAPTRUST: 919.870.6822 © 2026 CAPTRUST Financial Advisors