



OPEN DOOR POLICY

BUILDING PROPOSITIONS

Open Door Policy :
For Manufacturers and Support
Services

Background

Financial Services is heavily regulated, there is no let up in the amount of reporting and controls in place, amended and refined.

It is apparent that the Regulator requires firms to be able to demonstrate good client outcomes in a way which is detailed and follows their expectations. The only sure way to do this is to document the advice process. This will bring several key benefits to a Distributors and provide valuable insights for Manufacturers and Support Services.

- Having a robust advice process which can be recorded and referred to when required
- Provide guidance to individuals within the firm
- Create robust repeatable processes to help ensure good client outcomes
- Contribute to a strong training programme for individuals within the firm
- Contribute to a strong induction programme for new joiners
- Assist in compliance issues, especially the Consumer Duty
- Make available source information for the Regulator and Compliance Services for reviews and audits

This means Open Door Policy can bring a vast amount of experience in the IFA Distribution market and the regulation surrounding it to those that manufacture products and software and those that support the IFA community from a compliance and software perspective.

We work with manufacturers and support services to build their understanding of the regulations from their perspective, but equally important from the perspective of the Distributor / IFA.

The consultancies by their nature will be unique so there is no set menu of services. This document will however provide examples of the areas Open Door policy work in.

Modules

We take the core fundamentals within an advice business, the advice process, and create a unique proposition. This is in the form of a proposition document and its aim is to answer the ‘why’ and ‘how’ questions. If for instance a firm wishes to formalise how they charge, we do exactly that, build a bespoke charging structure. Everything is based on what the Regulator expects to see, so the starting point is knowing exactly what the FCA wants, via various publications, podcasts and webinars.

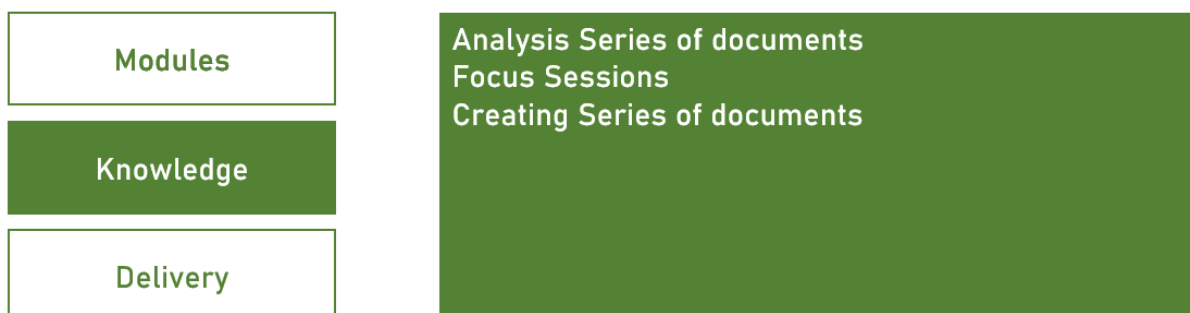


If Open Door Policy builds a firm’s Consumer Duty Proposition, it would not be a report detailing what needs to be done, we would work together and actually do it. The end result is the document a firm would use to demonstrate to the regulator that they are complying with the Consumer Duty. We build stuff, we don’t just recommend what should be built.

Modules is built for Distributors and Manufacturers & Support Services alike. For instance it can form the heart of a manufacturer training programme, to inform Manufacturers on how Distributors operate, and what exactly needs to be done to build a charging structure or a solid CIP/CRP (CIRP). This will influence how a manufacturer would build their sales strategy.

Knowledge

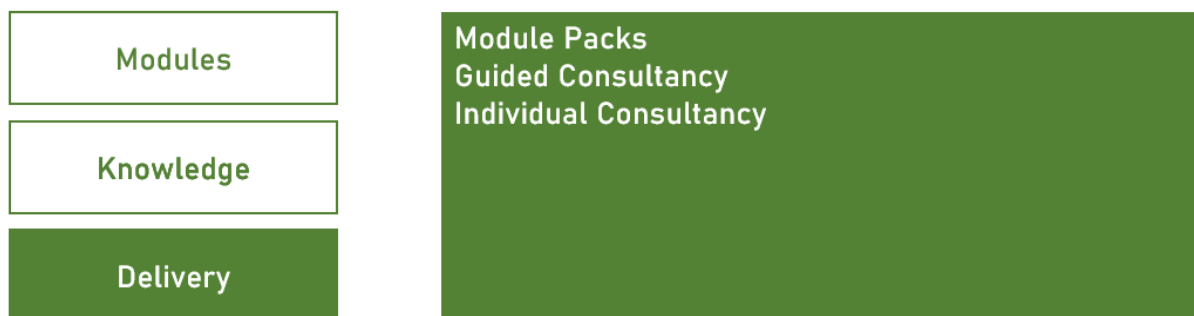
Propositions cannot be created without knowing exactly what the Regulator expects, that is the core of everything. Open Door Policy digests, understands and simplifies guidance from the Regulator in order to create a solid knowledge bank. Overengineered? Yes, absolutely.



Firms can make use of the Open Door Policy guidance papers and other resources to create an educational foundation. This helps support Regulator expectations as the FCA wish to see a positive and educational culture within firms. ‘Knowledge’ helps do that.

Delivery

The end result is the same, a unique set of propositions which build a solid, documented advice process. How you get there depends on budget and workload. Delivery from Open Door Policy is on three levels, with differing price points and a corresponding adviser workload.



Module Packs: Very much a self-learn bank of educational documents and example templates, from which a firm will build their own proposition(s).

Guided Consultancy: A set of managed online workshops with a number of attendees. Open Door Policy will guide firms through each build with additional adviser work between each session.

One to One Consultancy: Sessions run exclusively with a firm with maximum support and work done from Open Door Policy.

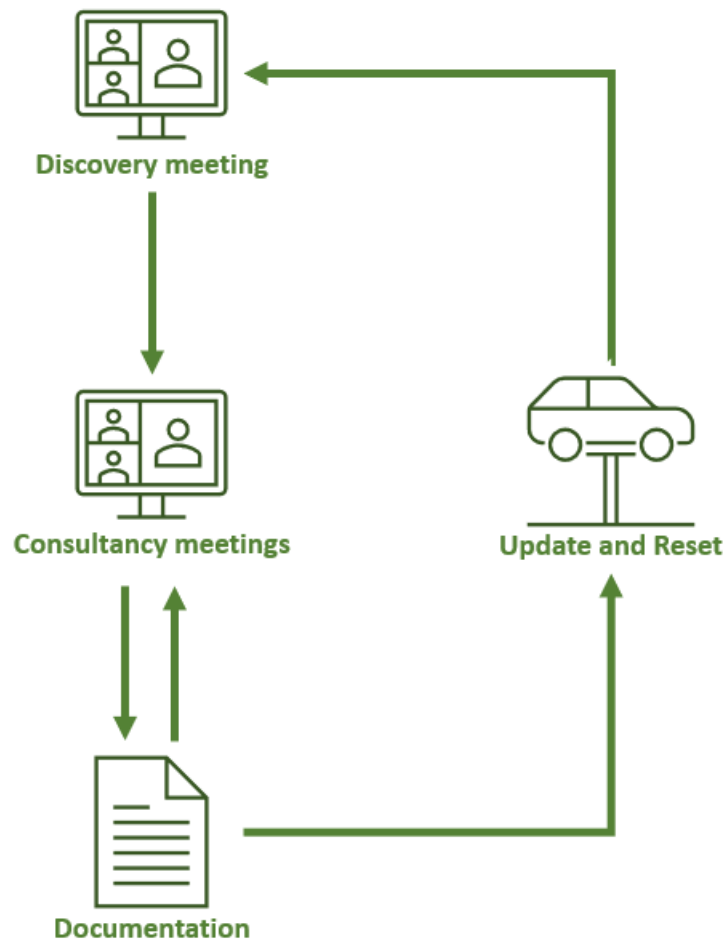
Bespoke training, insights and knowledge

Working so close with Distributors on the heart of their business gives Open Door Policy deep knowledge regulatory expectations, how firms should be dealing with those expectations and the systems and processes that should be in place. These insights can be built into a bespoke consultancy and/or training package for management and their salesforce.

Working together

This is true consultancy, the starting point being the manufacturers / support service and what they want to achieve, and it makes for a fluid set of sessions. Open Door Policy brings to the table 10 years' worth of experience over hundreds of consultancies. Each proposition is project managed to its conclusion, ensuring it is completed to agreed timescales and to the highest standards.

Online meetings are a highly effective way of progressing each session, but sometimes there is no substitute for face to face meetings and one to many training sessions. Open Door policy will accommodate any delivery style based on the requirement of the client and the project.



After an initial discovery meeting where we will agree how we will move forward, Open Door policy will create a project plan in order to get things done. This will involve a number of consultancy meetings, working towards finalised documentation.

Consultancy Services to Distributors in more detail

Over engineering means each of the propositions are covered off in great detail. These are the main propositions we deliver to Distributors and it gives an idea of the breadth and depth of the Open Door Policy consultancies.

Price and Value (Charging Structure)

Regulator guidance

- FG12/16, FG14/21, FG22/5, TR14/21
- Factsheet 10
- MiFID II
- FG24/1

Charging structure and service strategy

- Consumer duty requirements
- Process for providing ongoing advice
- Charging assessment
- Value assessment
- Discounting
- Capacity analysis
- Summary

Method of delivery

- The advice process
- Graphics
- Service and charges schedule

Review procedure

CIP and CRP (a combined CIRP)

Regulator guidance

- Factsheets 011 and 012
- FG11/5, FG12/16, FG22/5
- MiFID II
- TR24/1

Responsibilities and reviews

- Personnel
- Information collection
- Investment solution review procedure
- Investment solution monitoring procedure
- Software support

Risk

- Management
- Client risk
- Investment solution risk

Accumulation strategy

- Duration and fund selection

Decumulation strategy

- Retirement planning process
- Withdrawal options
- Safe withdrawal limits and maximum recommended withdrawal rates
- Sequencing risk
- Investment Pathways

ESG strategy

Product governance

- PROD statement
- Segmentation
- Investment experience
- Relevant financial instruments
- Segmentation matrix

Platform, product and investment selection

- Platform and product philosophy
- Investment solution philosophy
- Retrofitting
- Conflict of interest
- Research
- Distribution chain assessment
- The selection process

Review procedure

Consumer Duty

Strategic area

- Principle 12 and cross cutting rules
- Products and services outcome
- Price and value outcome
- Consumer understanding outcome
- Consumer support outcome
- Monitoring, reviewing and responsibility

Subdivision in each strategic area

- Consumer duty requirements : Explains what the regulator wants
- Meeting the consumer duty requirements : Explains how the firm will do it
- Additional collateral : Additional information or references

Update and Reset

As equally important as each of the propositions is to ensure that they remain fit for purpose. The Update and Reset Service does exactly that by keeping things updates throughout the year, along with an annual review.

How we charge

Open Door Policy has ten years worth of experience, working with hundreds of firms in building propositions, so we understand the costs involved. Because of the nature of the consultancy sessions with manufacturers / support services there is no set fee. Open Door Policy will provide an estimate of the time taken to complete and project and peg that against a standard day rate.

Find out more

Have a chat with Open Door Policy, we can arrange a Discovery meeting, which is at no cost to you. We can talk through options and how you could formalise propositions within your business.

Website



www.opendoorpolicy.co.uk

Email



info@opendoorpolicy.co.uk

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