

Best Practices for ERISA Advisor RFPs: A Guide for Plan Committees and Advisors

The Request for Proposal (“RFP”) process is a cornerstone of fiduciary excellence for ERISA and non-ERISA qualified plans. This includes defined benefit plans, and defined contribution 401(k), 403(b), 457(b) and 401(a) plans. And finally, includes record-keeper, plan advisor and other searches such as financial wellness, managed account or retirement-income solutions

For the advisor searches, when done right, it not only ensures regulatory compliance but also strengthens participant outcomes by connecting the right advisors with the right committees. Whether you’re on the committee conducting the search or an advisor responding to an RFP, this guide offers actionable insights to elevate your approach.

Recognition to Robin Green of WinMore Plans for links and resources provided in this newsletter.

Why Conducting an RFP Matters

Although a formal RFP process is not a specific regulatory requirement for selecting third-party service providers, it is considered by many to be a best practice. Conducting an RFP for an advisor search can be a strategic tool to improve participant outcomes and ensure the plan’s overall success. From a compliance standpoint, conducting an RFP allows committees to demonstrate prudence in selecting and monitoring service providers, a key ERISA obligation. From a pricing standpoint, it ensures fees are competitive and reasonable, protecting participant assets. And from a quality advisor standpoint, it enables the selection of an advisor who not only meets technical qualifications but also aligns culturally with the organization, fostering a productive long-term partnership.

Selecting the right advisor impacts more than compliance, technical skills and pricing. A culturally aligned advisor who understands the unique needs of the committee can build trust and collaboration. Additionally, advisors who excel at measuring plan success and improving participant outcomes are invaluable to the plan’s overall health. This includes increasing retirement readiness and improving participant engagement—outcomes that directly benefit employees and their futures.

Best Practices for Plan Committees

1. Partner with an RFP Specialist

Hiring an expert, like [90 North Consulting](#), brings unique value to the process. An experienced search consultant provides intangibles such as in-depth market knowledge and familiarity with advisor firms’ strengths and specialties. This insight helps committees identify advisors who offer the best fit for their needs and ensures the search process is efficient and thorough.

2. Prioritize Transparency

Be clear about your intentions. Is this RFP part of routine due diligence, or are you considering a

new advisor? Transparency helps advisors tailor their responses and saves everyone time. Share detailed plan data and your evaluation criteria upfront.

3. Allow advisors to ask questions.

According to Robin Green of WinMore Plans, advisors invest up to 50 hours in developing a thoughtful, personalized response to RFPs. They are thinking deeply about your retirement plans and will likely have questions. Time-boxing when advisors can submit questions, then summarizing the questions asked with your responses, and finally, sending this information back to everyone invited to respond is a simple way to address the concern some sponsors have about providing any advisor an advantage.

4. Focus on Both Fiduciary Obligations and Participant Outcomes

Your RFP should prioritize questions about fiduciary process as well as how advisors measure plan success and improve participant outcomes. Look for responses that include measurable results, such as increases in participant savings rates, enhanced engagement through education programs, and improved retirement readiness metrics and where applicable, case studies.

5. Streamline Decision-Making

Avoid over-complicating the evaluation process. Consider using a structured scoring system and narrow your finalists to firms that align closely with your goals. A scoring system should be used only as a guide and is not necessarily the only decision point. Intangibles and qualitative considerations should also be carefully considered. In the end, stick to priorities established early in the process for the advisor. Simplifying the decision-making process ensures you can focus on the most important differentiators.

Best Practices for Advisors Responding to RFPs

1. Personalize Your Response

Generic responses won't cut it. Tailor your RFP submission to the specific demographics and objectives of the committee's plan. Reference their unique needs to demonstrate your understanding and commitment. WinMore Plans suggests that advisors improve their RFP response, by creating compelling stories and addressing the intangible factors that plan sponsors look for.

2. Be Clear, Concise, and Accessible

Clarity and brevity win points. Avoid jargon, acronyms and lengthy explanations. Provide direct answers to questions, include a table of contents for navigation, and make it easy to contact your team by including phone numbers and email addresses. Remember, [readability matters](#).

3. Demonstrate a Participant-Centric Focus

Committees want advisors who can deliver better outcomes for participants. Highlight your successes with other plans and share detailed examples of how you've helped participants improve their retirement readiness. Clearly outline how you measure success and your strategies for driving positive results.

4. Use Visuals to Communicate

A well-designed graphic outlining your full range of services can make a strong impression. Visual aids that emphasize your strengths and differentiate you from competitors can set your proposal apart.

Next Steps for Committees and Advisors

For Committees:

- **How Long Has it Been?:** The DOL assumes that you have done an RFP for service providers at an interval of no more than every three to five years. Is it time?
- **Hire an Expert:** Consider engaging a professional to guide your search process and ensure an objective, efficient evaluation.
- **Clarify Priorities:** Define what matters most to your plan—compliance, costs, service quality, participant outcomes—and communicate these priorities clearly.
- **Be Transparent:** Share your decision timeline and provide honest feedback to advisors, whether they're selected or not.

For Advisors:

- **Review Your Materials:** Audit your collateral to ensure it's clear, participant-focused, and jargon-free.
- **Tailor Thoughtfully:** Make each RFP response specific to the committee's needs and avoid generic submissions.
- **Seek Feedback:** Invest in a win/loss review process to learn from past RFP outcomes and refine your approach.

Closing Thoughts

A well-executed RFP process is a win-win for committees and advisors. Committees benefit from finding advisors who align with their goals and fiduciary responsibilities, while advisors gain opportunities to stand out and connect with the right clients. Importantly, plan participants reap the greatest rewards by having the best service providers working to improve their retirement outcomes. By embracing best practices and leveraging expert guidance, both parties can foster partnerships that drive meaningful improvements for plan participants.

For additional resources on conducting RFPs or responding effectively, visit [90 North Consulting](#) and [WinMore Plans](#).