

# How to RFP the RFP Provider: OCIO and Consultant Search Firms

## WHY HIRE A SEARCH FIRM

Are you thinking of engaging a search firm to help you run an OCIO or investment consultant search? You're not alone. Two years ago, 34% of institutions and plan sponsors polled by an industry research group used a search firm for investment services. Last year, this number was over 50%.

Although practically unheard of a decade ago, the outsourced CIO ("OCIO") model, in which a committee hires an investment manager to oversee the portfolio rather than soliciting advice from an investment consultant, has exploded onto the institutional landscape and has garnered significant interest from a wide range of institutions. To learn more about OCIO, take our classes: [OCIO 101](#) and [OCIO 102](#). The investment world has gotten increasingly complex, and more and more boards, committees, and organizations are unsure of their ability to truly fulfill their fiduciary obligation to the assets they oversee (at a time when fiduciary lawsuits are on the rise). OCIO models offer a solution for organizations struggling with a lack of internal resources, a desire to improve governance processes, and the need to improve risk-adjusted returns. The traditional investment consulting model has evolved to fill these needs, but at the same time, it has complicated the investment advice landscape. Enter: the search firm.

The added complexity of the institutional investment world has driven the need for an expert to assist committees in selection: the consultant or OCIO search firm. OCIO search firms like Alpha Capital exist to guide organizations through the search process: everything from designing the RFP and developing search criteria to identifying candidates, analyzing RFP responses, and managing the logistics. Search firms manage the entire project from start to finish, greatly simplifying this important fiduciary process for institutions.

Read on for our tips on how to vet and select a search firm to help your Investment Committee through the OCIO selection process.



### AUTHOR

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More than a decade of investment experience as OCIO search consultant, investment manager, and investment consultant.

### ABOUT THE FIRM

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ALPHA CAPITAL MANAGEMENT

Leading provider of OCIO and investment consultant searches for institutions. Co-creators of the AlphaNasdaq OCIO Indices. Mission to improve the outcome for investors.

### CONTACT

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## TEN QUESTIONS TO ASK SEARCH PROVIDERS

It may seem silly to go through an RFP process to hire a firm to run your RFP process, but as a leading search firm, we often receive “mini-RFPs” with a handful of questions designed to compare us against our competitors. As RFP architects, it makes sense to us from a due diligence perspective. We encourage firms to consider this exercise, and to help, we compiled 10 sample questions that organizations can use to learn more about search firms.

1. Briefly describe your firm’s history and ownership structure.
2. Describe your core business focus.
3. What are the primary client types for which your firm provides search services?
4. How many searches have you performed in the past 3 years? Characterize your search clients by client type, plan type, and size. Provide 3 references from recent searches.
5. How long does a typical search project take?
6. Provide an overview of how you propose to lead our organization through the process, including identification of potential candidates, development of the RFP, and the review and evaluation of responses. Include a timeline.
7. Provide brief biographies of key professionals that would be responsible for working with our organization.
8. Do you have any compensation agreements with any investment consultants, OCIOs, or money management firms that you include in searches? Are any such firms clients of your firm in any capacity?
9. Do you provide investment consulting or OCIO services to institutions?
10. What are your competitive advantages? What are your limitations?

## QUICK TAKE

### 7 CHARACTERISTICS OF TOP SEARCH FIRMS

1. *No consulting or OCIO services*
2. *Investment expertise*
3. *Active in the industry full time*
4. *Owned by key professionals*
5. *Search experience*
6. *Well resourced*
7. *Strong references*

## ABOUT ALPHA CAPITAL MANAGEMENT

We are a leading provider of OCIO and investment consulting searches for institutions and have represented more than \$64B of assets in the marketplace. We also co-created the industry’s first OCIO indices with Nasdaq. An independently owned investment firm founded in 2006, Alpha Capital has four employees located in Atlanta, GA. We seek to provide unbiased advice to our partners with our investment-oriented services and solutions. Our mission is to improve the outcome for the investor.

## OCIO & CONSULTANT SEARCH SERVICES

Our core business is to perform OCIO and investment consultant searches for large institutional investors. Our deeply experienced team views OCIOs and consultants through many lenses, having served as plan sponsors, investment consultants, and investment committee members. We take a disciplined, rigorous approach to OCIO and consultant due diligence, complemented by our investment expertise and CFA designations. We drive a better result for our clients while simplifying the search process.