

Case Study

Consulting Service: **Provider Analysis & Fee Benchmarking**

Client Profile

| | |
|--------------|--------------------------|
| Industry | Internet Search Services |
| Plan Type | 401(k) |
| Assets | \$675 million |
| Participants | 12,600 |

Background

A Fortune 500 company recently experienced significant M&A growth, which meant more participants and assets for the 401(k) Plan. Because the Plan had not been evaluated in a number of years, the Investment Committee decided to evaluate its existing provider arrangement to determine if the recent growth warranted any changes – or even the consideration of an alternate provider. The Client, who was highly motivated to ensure that it was offering the best plan for its employees, hired 401(k) Advisors to lead the RFP Search/Fee Benchmarking process.

Objectives

- Ensure competitive fees
- Ensure customer service deliverables are meeting market benchmarks
- Ensure investment menu and asset allocation funds are “best in class”
- Document the process to meet fiduciary responsibilities

Strategy

401(k) Advisors applied its proprietary benchmarking process to ensure fees, services, and investments were in-line with the marketplace. Working on the Client’s behalf, our specialists identified the ‘pain’ points, customized the RFP questionnaire, solicited bids from qualifying vendors, spreadsheeted the data and coordinated presentations. The final output, named the B3 Provider Analysis™, incorporated over 450 data points and both quantitative and qualitative metrics in a succinct 60-page format for important decision-making.

Results

- Leveraging the power of the B3 Analysis™ and the negotiation expertise of the 401(k) Advisors team, we:
- Re-defined incumbent’s service benchmarks
 - Introduced Asset Allocation fund suite to replace Balanced fund options
 - Negotiated share class and investment changes for lower expenses and reduced revenue sharing by half
 - **Total Plan Savings: \$625,000**

Securities offered through Financial Telesis Inc., member FINRA/SIPC. Advisory Services offered through 401k Advisors. Financial Telesis Inc is not affiliated with 401k Advisors. These client stories are purely educational and for illustrative purposes only. They should not be deemed a representation of past or future results. They are not intended to provide specific legal, tax, or other professional advice. For specific professional assistance, the services of an appropriate profession should be sought.