

Considering an OCIO (Outsourced CIO search?) You should lead with an RFI as a critical first step...



Its purpose is to have your most critical questions addressed upfront and quickly. You can then do a “deep dive” via RFP to those providers most aligned with your needs and your mission.

Difference between an RFI (RFI = Request for Information) and a RFP (Request for Proposal)?

Your RFI is composed of your own brief set of questions. The answers you obtain will enable you to filter the available provider set. You can then focus on those firms who can add the most value for you and your organization.

The advantages for you using an RFI :

- 1) **TIME SAVING** - Your time is valuable and an RFI is the best use of your scarce time.
- 2) **REVIEW A LARGER POTENTIAL UNIVERSE OF PROVIDERS** - Enables you to “ping” a broader range of potential providers so that the filtered group will be the most relevant of possible OCIO providers.
- 3) **CLARIFIES YOUR GOALS** – As you compose the 5 to 8 questions, you focus on what your key concerns or needs are. This provides the opportunity for the Investment Committee to memorialize its specific goals. This will also help align the staff’s efforts.
- 4) **IDENTIFIES CONFLICTS OR HIDDEN ISSUES** – An RFI surfaces issues early in the process so that you, and potential providers, don’t waste efforts or incur disappointments.
- 5) **FAIRNESS** – Each bespoke RFP requires 60 – 80 hours of preparation. By contrast, an RFI should require no more than 3-4 hours of dedicated focus by each provider. The answers are best discussed via a conference call. A call could well elicit candid responses and be a “dry run” for how you might interact with each provider’s team.

Two Sample Questions for a RFI (typically one would have 5 – 8 questions):

- 1) What are the key distinguishing features of your investment process that sets you apart?
- 2) Are investment offerings done in form of comingled accounts, SMA’s, or other structures? What are the liquidity provisions of lock-ups/redemptions especially as they relate to Alternatives?

Want to learn more? Please contact Chris Cutler or Tom Donahoe.