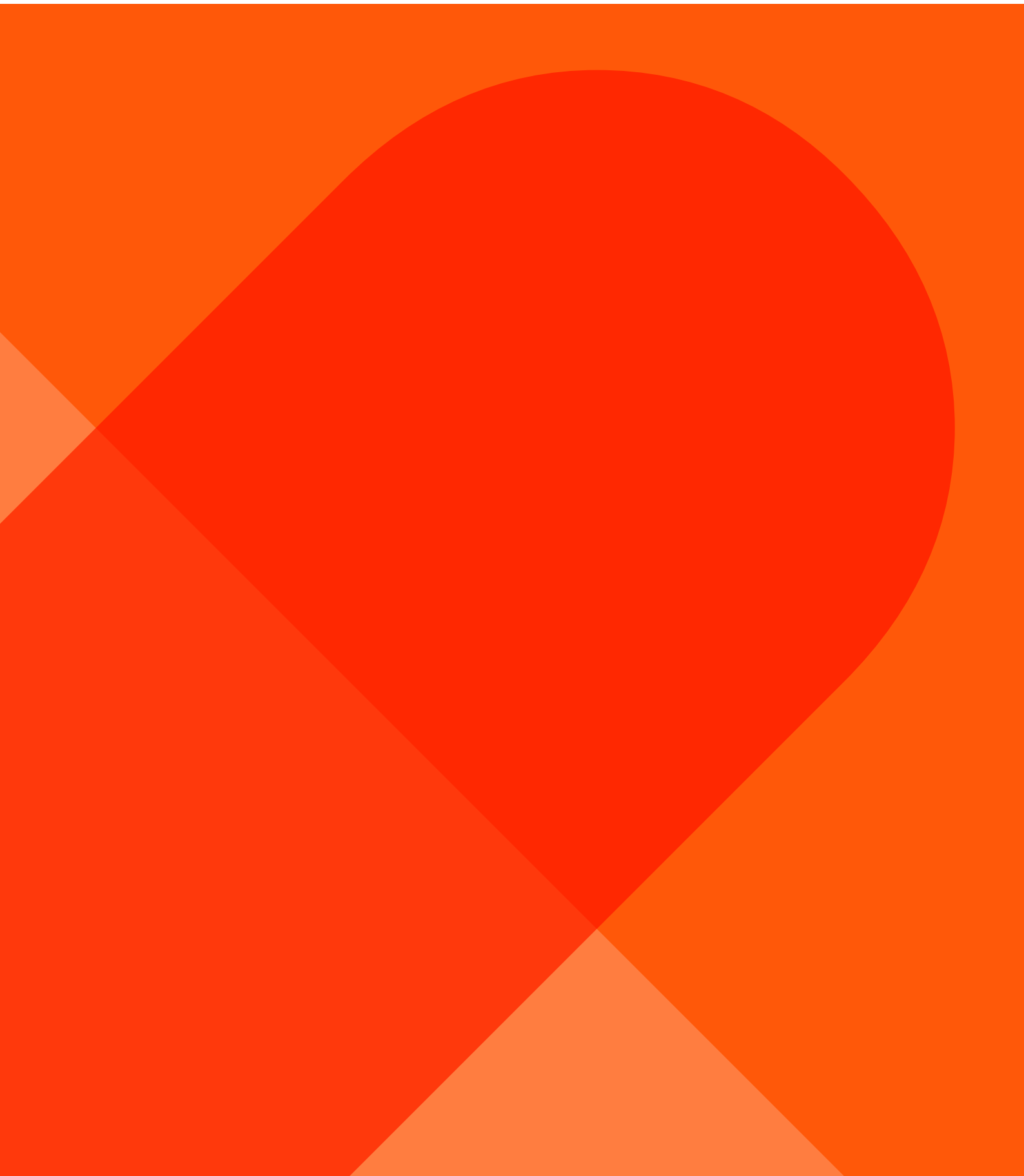


THE PARAPLANNERS

Are you ready to select a paraplaning partner?



ARE YOU READY TO SELECT A PARAPLANNING PARTNER?

A guide to conducting due diligence on potential outsourcing partners

If you've decided that outsourcing your paraplanning is the right decision for your business, the next step is selecting who you're going to work with. With a range of suppliers offering different service propositions, you may need help deciding which partner is the best fit.

We've partnered with Dominika Sieradzka of RIE Solutions to bring you this simple guide to making sure you're making the right decision.

Do your due diligence

Once you've established that outsourcing is for you (we suggest taking a look at our guide 'Are you ready to outsource?'), it's important to undertake stringent due diligence.

In many ways, this is similar to following a robust recruitment process, in order to identify great candidates for internal hires.

Completing your due diligence will ensure you can be confident that your selected strategic partner is the right fit for your business. To help with this, we're sharing two useful tools:

- 1 – The questions you should ask all potential partners
- 2 – The scorecard that will help you make the right decision

The partnership you're establishing will be longstanding and important to your business so it's important you have an in-depth understanding of the organisation you may be working with. For example, by looking at their financial position, you're able to evaluate the risk of financial pressures potentially forcing them out of business; or if the lack of robust processes and procedures in their firm might leave your business exposed. This detailed approach to evaluating potential partners is particularly important when it comes to sharing client data with third parties. It's best to understand potential risks and gaps from the outset. It's also important to ensure that your values and philosophies are aligned.

YOUR DUE DILIGENCE QUESTION BANK

- 1** – Please tell me about your business?
 - A. When was your company established?
 - B. What is your mission, vision and philosophy?
 - C. What are your company values and why?
Can you give an example of how you put these into practice?
- 2** – What is your 10-year vision for the business?
- 3** – What is your exit strategy?
- 4** – Is your business profitable?
Please provide last year's accounts & forecast for next year.
- 5** – What are your service standards, including turnaround times?
- 6** – What service levels and / or propositions do you offer and what is included?
- 7** – What is the pricing of your service offering(s)?
- 8** – What is the ownership structure of your business?
- 9** – How big is your team and what is your organisational structure?
- 10** – What professional qualifications does your team hold?
- 11** – How do you ensure that your team's industry and product knowledge is current?
- 12** – How many clients are you currently looking after?
- 13** – What is your capacity for taking on new work/clients?
- 14** – Please can you put me in touch with three of your existing clients?
- 15** – What was the best feedback you have had from your existing clients?
- 16** – What do clients most consistently raise as a point for improvement and what have you done about it?
- 17** – What is your Information Security Policy?
- 18** – What is your Privacy Policy?
- 19** – What systems do you use as part of the delivery of your service offering?
- 20** – Have you got a Disaster Recovery Plan in place?
- 21** – Have you got Cyber Essentials Certification in place?
- 22** – What insurances do you hold and what is your level of cover?
- 23** – Will I have a single point of contact for your company?
- 24** – Why should we choose you over other providers of the same service?
- 25** – What is your firm great at?
- 26** – What are your weak points?
- 27** – What would you expect from us as your clients?

The scorecard

To help with your decision making, score the prospective strategic partners on a scale ranging from 1-5 (1 where there is no evidence or the answer is not satisfactory at all, 5 where there is strong evidence or the answer is extremely compelling) on specific areas/questions asked, and highlighting topics of concern with an exclamation mark (!).

This is useful when comparing different service providers but there are a couple of things you need to think about before you start to complete it.

You understand what's most important to you and your business, so it's up to you to decide where you require higher scores and what your lowest acceptable scores are on various questions. Any areas that concern you may need further investigation or automatic exclusion.

Company name			
Area	Notes	Score (1-5)	Area of concern (!)
Company background			
Mission & values			
Company philosophy			
Ownership			
Exit plans			
Team			
Directors			
Number of employees			
Team's qualifications			
T&C plan			
Current capacity for new work			
Financials			
Last year's profit & loss			
Financial forecast for the coming year			
Information security and IT			
Technology used			
Information Security Policy			
Privacy Policy			
Disaster Recovery Plan			
Cyber Essentials Certification			
Other			
Conflicts of interest			
Insurances			
Number of clients			
Capacity			
Internal Service Standards			
Operational Processes & Procedures			
Service Propositions			
Pricing			
Client feedback			
Client 1			
Client 2			
Client 3			
		Total	

THE NEXT STEPS

Having completed the scorecard, you'll be able to create your shortlist. The next step is to have a face to face discussion with the owners of the businesses on that list. As well as exploring some of the questions from the scorecard in detail, by meeting them you're able to make sure you have the right chemistry and establish whether they'd be the right cultural fit for you and your business.

Spending time on conducting thorough due diligence will save you time, energy, and money in the long term. This is a worthwhile investment of time!

About the authors



Richard Allum

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Since setting up The Paraplanners, Richard has concentrated on creating something more than basic paraplanning support. On a day-to-day basis, his technical knowledge and expertise is relied upon by many clients. He has also worked with many advisers, on a consultative basis, to help them to develop their services and has even helped financial planning and advice firms set up and train their own in-house paraplanning team.

theparaplanners.com



Dominika Sieradzka

Founder, RIE Solutions

Dominika is an insightful business and operations consultant, working with financial planning firms who want to make a real difference and run great businesses. She is the founder of RIE Solutions, helping firms master practice management, and offering operational guidance and mentorship.

Dominika specialises in generating operational solutions, designing improvements to processes, and structuring teams. Most importantly, she helps put these into practice. She works alongside Practice Managers, Operations Directors, business owners and their support staff. Dominika ensures that the businesses her clients want are the businesses they have.

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