

## **Benefits and Pensions Monitor**

### **Comment on “some of the current services that consultants offer to pension clients which are, perhaps, underutilized”.**

Pension committees are typically composed of management staff with core responsibilities which have nothing to do with pension governance and investment monitoring. For this reason, it is not unusual for pension committees to engage third party consultants to periodically facilitate investment reviews. One could equate this to periodically getting different golf pro's to help with your golf swing every once in a while and expecting lasting improvement in your game results.

Organizations can best benefit from selecting a governance consultant that can work with them to build, manage, and regularly review their pension governance framework. This results in an overall framework that is facilitated by an expert in the various areas of required fiduciary responsibility. Periodic and fragmented use of professional support is generally less effective in terms of results and for the time required by pension committee members who are charged with responsibility for core operation activities. In short, plan sponsors should find a pension governance partner and work with them on a regular basis for all areas of plan governance to achieve the best results. We are strong proponents of this “governance partner” approach – 100% of our business is related to pension governance and investment consulting support and over 90% of our business is for “governance partner” relationships.

Another tip to effectively manage the governance process is managing plan governance documents and governance activity information. Pension committees often have an information oracle – while having someone who manages the plan documents and history of governance activities seems logical it does have shortfalls. Plan information is not always readily available to other committee members in this format and the plan documentation is not always stored in a logical format to serve for historical reference. To address the need to store and provide information access to multi-member / multi-location committees – Proteus builds a custom portal for client programs. We have had unanimous agreement from our clients that this is an improvement for information availability to committee members – it is indeed a wonder why this is not universally used by all plan sponsors.

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