



# The Benefits of Certification

V1.3 2010

Why should investors and retirement plan participants deal with CEFEX-certified firms?  
What are the benefits of certification for the firm?

The following ten benefits of CEFEX certification are relevant to both certified organizations and the clients or investors of certified organizations.

## 1. Increased Efficiency

Companies that go through the CEFEX certification process have developed their processes to maximize quality and efficiency. Once CEFEX-certified, the processes at the firm are well-established and guidelines should be in place for staff to follow easily, making training, transitions, and trouble-shooting easier. Studies have shown that ISO Quality-Management System<sup>1</sup> certified companies experience increased productivity and improved financial performance, compared to uncertified companies.

## 2. Increased Revenue

It is too early to analyze empirical data on the general effect of CEFEX certification on revenue results. However, as investors seek increased transparency, Investment Advisors, Managers, Support Services Providers, Recordkeepers and Administrators who are certified will stand out. Increasingly, CEFEX-certification is a requirement in the Request for Proposal process. CEFEX-certified firms will be selected over firms which do not have independent fiduciary oversight.

## 3. Employee Morale

Defined roles and responsibilities, accountability of management, established training systems and a clear picture of how their roles affect fiduciary excellence and the overall success of the company, all contribute to more satisfied and motivated staff.

## 4. Recognition

CEFEX is becoming increasingly respected as the mark of the highest integrity and transparency in the financial services industry. Many firms simply state their fiduciary intentions. Recognition belongs to the firms which undertake independent CEFEX assessments of their fiduciary practices; this is far more meaningful. The program is also becoming known throughout the world, as leading firms in other countries explore the adoption of this certification.

## 5. Factual Approach to Decision Making

The standards used by CEFEX set out clear instructions for assessments and process reviews that facilitate information-gathering and decision-making based on the data.

---

<sup>1</sup> ISO or International Organization for Standardization has published numerous quality management system standards, such as ISO 9001. The CEFEX certification program is based on ISO principles and audit methodology.

## **6. Supplier Relationships**

Mutually beneficial supplier relationships are one of the key attractions to CEFEX certification. CEFEX-certified firms complement each other in their adherence to a global fiduciary standard of excellence. This adherence to best practice for documentation and monitoring ensures that investments of the highest quality are used in retirement plans and other vehicles. The process also requires thorough evaluation of new service providers before a change is made and ensures consistency with respect to how investments are made.

## **7. Documentation**

The standards used by CEFEX require the documentation of all processes, in addition to changes, errors and discrepancies. This ensures consistency throughout the investment process and accountability of all staff. This also ensures traceable records are available in case of complaints or litigation.

## **8. Consistency**

All processes from investment research to customer service are defined, outlined and documented, minimizing possibilities of error. Even the process of making changes to a process should be documented, ensuring that changes are well-planned and implemented in a way to maximize efficiency. CEFEX-registered firms use best practices for data collection, reports, and report labeling, and therefore minimize the risk of document obsolescence or reporting errors.

## **9. Customer Satisfaction**

Client confidence is gained because of the general acceptance of the CEFEX standards. Customer satisfaction is ensured because CEFEX-certification increases company efficiency, consistency and dedication to service.

## **10. Improvement Processes**

CEFEX standards prescribe audit processes, management review and improvement processes based on collected data. Improvements are carefully planned and implemented based on facts, using a system of documentation and analysis, to ensure the best decisions are made at the registered firm.

### **Final Note:**

The CEO or President of the CEFEX-certified firm is assured because the certification program is a form of oversight on his/her team's activities and accountabilities. His/her management responsibilities are complemented because an independent party provides confidential and objective feedback on the firms operations.