



5 KEY QUESTIONS

**The Verifier You Hire MUST Be
Able to Answer To Ensure A Thorough
and Efficient Verification That Will
Give You Real Confidence In Your
Claim of GIPS® Compliance and
Make Getting There as Easy as Possible!**



Attention: Inefficient, “never-ending” verifications conducted by inexperienced, junior-level staff waste your time and expose you and your firm to potential risks.

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It is very rare for a GIPS Verification firm to write this kind of report. Many verifiers and consultants do NOT want you to know this information and to ask them these questions. Please take the time to read it carefully. In fact, if you are - as I hope - very interested in selecting the BEST GIPS verification firm to help your firm achieve and/or maintain compliance and successfully navigate verification, then I urge you to get comfortable, ask not to be disturbed, and STUDY this report - it IS that important!

It reveals vital information you NEED to know!

Dear Friend:

It's shocking but true.

Many investment firms have made the mistake of hiring a verifier they should not have - verifiers who provide less than exceptional service, with an inefficient process, while servicing their clients with minimally experienced staff. They also raise prices on an annual basis while locking clients into long term contracts...all of which wastes time, resources, money, and potentially puts them at RISK.

Finding a verifier who will support your firm with highly experienced GIPS specialists, in an efficient manner, using a process that guarantees a thorough verification, eliminates the possibility of “never-ending” verifications or rubber stamp reports, and gives you real value for your investment in the form of tools, templates, checklists, ongoing support, insight, and actionable guidance is incredibly important...

In Today's World, Which Requires You to Accomplish More With Fewer Resources, and Increased Regulatory Scrutiny, You Cannot Afford the Risk of an Inefficient, Unqualified Verifier or a Never Ending GIPS Verification

I realize you might not believe this right now, but please think about it for a minute. Imagine the scenario I described above. Would you enjoy a verification that drags on for months and months (or more), led by a team with little-to-no actual experience you feel you have to train? Would this be time and money well spent?

Of course not!

Hire the wrong verification firm, and it's almost guaranteed your GIPS verification will be a pain-filled process that moves as *slow as molasses*; sucking up time, money, and resources that could be much better spent.

Frighteningly, this is actually the best-case scenario when you hire the wrong verifier.

Worst case, they make a mistake, and you're forced to report errors to your prospects and clients, while potentially facing scrutiny from the SEC or other regulatory bodies. Imagine the inconvenience, disruption, and embarrassment this will cause.

This report will give you the *inside scoop* on what we think you should do when hiring a GIPS verification firm.

In just a minute, I am going to reveal to you what the **5 Key Questions** are, but first, let me answer a couple of questions that are probably already on your mind:

Who Are You and Why Are You Telling Me This?

My name is Chris Spaulding, and I head up sales, marketing, and client relations for The Spaulding Group, the fastest growing, most highly rated and respected GIPS verification firm in the world.

We've helped hundreds of firms, all around the world, ranging from less than \$10 million to more than \$1.2 trillion in assets under management, become GIPS compliant and verified. Our clients include traditional asset managers, asset owners, wealth managers, alternative managers, real estate investors, private equity managers, hedge funds, credit shops, and OCIOs/consultants I'm revealing this critical information that other verification firms don't want you to know for two main reasons:

REASON #1: If you end up hiring a substandard verifier - and the experience sours you on GIPS compliance - you could decide to give up your pursuit or claim of compliance, which is not good for the industry or your clients and prospects (the Standards are seen as a best practice). It's even WORSE for you, because your business will be deprived of the real benefits of using GIPS compliance to market and sell your services, thus growing your firm.

REASON #2: I HATE to hear stories from firms struggling to get compliant or complete a verification because their verifier's process is inefficient and disorganized, or they do not provide a high enough level of service to their clients. By helping you separate *the wheat from the chaff*, it will raise the quality of verification services across-the-board by forcing substandard verification firms to improve their process and approach (or find a new line of work), so everyone will benefit.

Okay, now you know who I am and why I am doing this, let's talk about the **"5 Key Questions The Verifier You Hire MUST Be Able to Answer to Ensure a Thorough and Efficient Verification That Will Give You Real Confidence in Your Claim of GIPS Compliance and Make Getting There as Easy as Possible!"**

Now... you might be expecting a series of questions like:

"Do you work with any firms like mine?"

“How long will the verification take?”

“Are you familiar with the systems I use?”

“How much will it cost?”

and these are all good questions. Any verification firm *worth their salt* should be able to answer them.

As someone who’s helped hundreds of firms as they work through the process of hiring the right verifier, let me offer you some queries the average verifier ISN’T expecting, which will enable you to see who’s *ready for prime time*, and can help make compliance as easy as possible for you and your firm, and provide you with greater confidence in your claim of compliance.

Okay, here we go...

Question #1:

If I select your firm to help me become compliant and/or conduct my verification, who will I work with?

The painful truth is there are no requirements to become a verifier. Anyone can *hang up a shingle* and start offering GIPS verification services: there is no one policing the verifiers.

This means if you are not supported by someone who really knows and understands the Standards, not only are you in store for a potentially long and painful verification experience, your firm could also be at risk.

It’s important to make sure the people who will actually be DOING THE WORK are experienced and qualified. The last thing you need is a team of entry-level, amateurish verifiers that YOU have to train. Not fun! Not what you paid for!

Sadly, many verification firms highlight their more experienced team members during the “sales phase”: they send the senior staff to meet you, and tell you all about their experience and qualifications, but when it comes time to do the work, you get to deal with greenhorns. This is a recipe for disaster and a long, drawn-out, and painful experience...

When you choose to work with The Spaulding Group, you ONLY work with highly experienced GIPS specialists. ZERO junior level support staff.

The verifier who will serve you will be drawn from the list in our proposal. He/she will be the same person who will come to your offices year-after-year. You will have access to this individual throughout the year to answer questions and give you advice. We won’t pull a “bait-and-switch” on you. What you see is what you’ll get!

Every member of our team brings at least 15 years’ industry experience, and 75% of our verifiers were previously practitioners. So, not only do they understand the Standards, they also have the experience to understand you and the challenges you face with GIPS compliance, because they’ve been there themselves. They’ve gone through it. They know the pitfalls, and they know the best path. This means they can share direct experience and insights to help you.

Check out the LinkedIn profile or ask for a detailed bio of the verifiers you are considering. Not just the “partners” or “principals” but the people who you will actually be working with. If you see prior to becoming a verifier (or before launching their verification firm) they did nothing related to performance measurement or the GIPS standards, this should be a HUGE **RED FLAG**. **It’s not your job to train your verifier!!!**

Bottom line: When hiring a GIPS verification firm, you and your firm’s reputation are at stake. The experience and background of the team that will support you matters...

Question #2:
**Will you come to my offices every year
for more than just a cup of coffee?**

This question links tightly with the previous one because not only are the qualifications and experience of your verifier critical to your firm’s success with GIPS, the process they employ to conduct your verification directly impacts the efficiency, quality of the work, and your overall experience.

Claiming GIPS compliance is a big step. If you make the claim, but are not actually compliant, your firm is at risk. If your verifier doesn’t bother to come to your offices for the verification, trust me, they are putting you at risk.

Candidly, we do not believe a thorough job can be done remotely.

PLUS, remote verifications are highly inefficient.

We have plenty of evidence to back this up from verifications we’ve taken over from firms who rarely bother to visit their client’s offices. If you’d like, we’ll share samples of our preliminary reports from such engagements, which will give you insights into what the prior verifier overlooked or didn’t know needed to be checked.

When the verification is done remotely, how do you know who is really doing the work? As we understand, in some cases “remote” means much of the work is really being offshored or perhaps done by a computer, not by a professional GIPS specialist.

Clients who have switched to us from other verification firms have described the remote verification process as “a never-ending verification,” “inching along with no end in sight,” and “frustratingly slow,” with chains of emails that “drag on and on.”

Don’t let the verifier fool you into thinking off-site is more efficient: this could not be further from the truth.

Unless you want to deal with constant requests for more and more data, and the feeling that the verification will never end, hire an experienced and knowledgeable verifier who will come to your offices. Don’t let those firms that do the work remotely con you into thinking onsite is disruptive.

Offsite verifications are inefficient and risky

And

Onsite verifications are more thorough, much faster, and not disruptive!

At The Spaulding Group we ONLY conduct GIPS verifications onsite. Prior to visiting your office, your verifier will send you a list of items they will need to see, along with a helpful checklist you can use to ensure you are ready for their visit. These items are also available in our client-only *Insiders* website (more on that later).

We block off the amount of time required at your offices to COMPLETE your verification. During their visit to your office, your verifier works independently. All they need is a vacant office, conference room table, a desk, or a cubicle: just a space where they can work undisturbed. They will also need access to someone who can answer questions, should they arise.

When they are done, they will sit down with you to discuss their findings and present you with a preliminary report. This report will detail ALL the issues they found (as well as recommendations). It will be the tool you use to complete the verification, and get your final verification report.

Another key point: as we understand it, most other verification firms don't provide their clients with preliminary reports! We believe this is one of the reasons their verifications will drag on and on, because they will dish out their findings in a piecemeal fashion.

All you have to do after their visit is fix the issues identified in the report (it's up to you how you handle the recommendations: take them or leave them). You'll use the report to communicate what you've done, send the verifier supporting documentation (e.g., revised Policies & Procedures and/or presentations) along with your signed "rep letter." Once they confirm that all of the items were properly addressed, you'll receive your official GIPS verification report. Nice and easy.

Our process is so efficient that we typically cut MONTHS, and in some cases YEARS, off the time spent on verification for the many firms that have made the switch to The Spaulding Group, finally putting an end to the struggle.

I'll say it again:

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Question #3
What about fees?
How often will they increase?

Cost should not be the primary reason you use to choose a verification firm. As the saying goes, *you get what you pay for*.

Another, maybe more important question to ask is, “**how often will my fees increase?**”

Some verifiers like to increase fees EVERY year. That’s right, every year! Do you want to receive a letter or a call telling you the cost for your verification is going up, every year?

Does your firm increase its fees yearly? My guess is they rarely if never increase.

If you want to grow, you need to increase your AUM, not raise prices! So, why would you hire a verification firm that raises their rates year-after-year-after-year-after-year.

Even if you are able to successfully negotiate your fee increase, do you really want to do this every year? At The Spaulding Group, we believe our growth should be directly related to our ability to add new clients and exceed the expectations of those we already have to retain them. We are very good at this.

In fact, assuming there are no significant changes to your firm (mergers, acquisitions, material increase in composites, accounts, etc.), **we will lock in your rate for at least the NEXT FIVE YEARS!**

That’s right. The amount you see in your proposal is the number you will pay for at least the next five years. No fee increases. Just a ton of value at an economical price.

Question #4
What happens if I’m not
COMPLETELY satisfied with your service?

Do you lock your clients into long-term contracts they can’t get out of without a legal FIGHT, even if they are not satisfied with your performance?

Probably not. Your ability to retain clients is directly related to your ability to keep your clients happy and satisfied. So, why would you sign a contract with a verifier that makes it hard for you to fire them EVEN if they do a poor job?

This is exactly what some verification firms do. And, in some cases, the way they do this is not completely transparent.

Some verifiers charge you for work BEFORE it’s been done. Read your contract carefully. Those quarterly payments might sound like a good idea at first, but what happens if you don’t complete the initial verification

before the next payment is due? Do you have to keep paying QUARTERLY? As we understand, in many cases this is exactly what happens.

We have clients who had to delay making the switch to our firm, even though they were completely dissatisfied with their prior verifier, because they had already paid, several quarters IN ADVANCE, for work that hadn't been done yet.

Unconscionable!

You should NEVER be locked into a contract with your verification firm. We believe, if you are not happy with the service, level of expertise, approach, process, or anything else about the firm you hire, you should be able to find another who will serve you better.

That's why when you hire The Spaulding Group, **we GUARANTEE your satisfaction.** In fact, unless you request it, we won't send you a formal contract with lots of small print and red tape. In 90% of our engagements, we use a simple engagement letter. The proposal we already sent you has a space to sign at the back. If this works for you, it works for us, too.

If you prefer something more concrete, just let us know. We are happy to oblige.

And, if at any time, you feel we are not the right fit for your firm, you are free to find another. No questions asked.

Question #5 **In addition to verification,** **what else will I receive for my significant Investment?**

Picture this...

You have a question about the Standards. Maybe there is a change to your firm that will impact your claim of compliance. Maybe a new guidance statement has been issued. Maybe something else. At some point you will have questions.

Are you looking for a regurgitation, *chapter and verse*, of the Standards? Of course not. The firm you hire should be able to provide you with actionable and insightful advice. As we have learned, some verifiers won't even answer your questions!

With The Spaulding Group, you will have access not only to the verifier(s) who conduct your annual verification, but to our entire team. Reach out to us anytime with questions, concerns, issues, or challenges, and we will give you the help you need.

But, you deserve more than this.

Earlier I mentioned our client-only *Insiders* website.

This is the ultimate resource for GIPS compliant firms. It is filled with tools, templates, checklists, videos, webinars, and more, organized in an intuitive, strategic way.

Whether you have questions about the changes to the Standards, alternatives, marketing your claim of compliance, creating composites, writing or improving your policies and procedures, it is covered in this site and as a client of The Spaulding Group, your firm will get full, unlimited access.

We will continue to create new resources and tools to make compliance as easy as possible for you.

No other firm offers anything close to this.

So again, find out what additional resources the verifiers has in place to help you before making your final decision.

Well, there you have it. You now know exactly what to ask to make sure you hire the most capable, knowledgeable, and experienced verification firm, that offers not only the most added value, but also guarantees the most efficient, thorough, and high-quality service possible.

Best wishes for your continued success,



Christopher Spaulding
Executive Vice President



*Where Performance Professionals Get Solutions to Their Problems
The Spaulding Group...Your Partner in Performance Measurement™*

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