

The Scrip Issue

REASON FOR PANIC

When an RFP from hell lands on the desk, it can test the resolve of even the most hard-nosed custodian.

Richard Greenstead

BEAUTY CONTEST

RFP's and their associated beauty contests are rapidly assuming enormous importance for custodians. Not all tenders are as poorly managed as that of the UN, but the custodians are regularly bombarded with huge folders containing lengthy questionnaires as part of the initial screening process. In some cases, the RFP has been developed by a consultant and this adds an additional, and often unwelcome, dimension to the problem. The expertise of consultants in the custody business ranges from comprehensive - with specialists like Global Securities Consulting Services and Davis International Banking Consultants, where Robert Kay and Simon Thomas respectively hold sway - to utterly non-existent. The size of the RFP is no indication of the competence of the consultant. And custodians sometimes discover that consultants are merely floating a balloon with an RFP, with no underlying client involved, sending it out merely to gain information and, they hope, to establish credibility.

