

TOOLS FOR A PROFITABLE BUSINESS

In the world created by the Retail Distribution Review, your business is under increasing pressure to help your clients fully understand the charges they need to pay for the services you'll provide. At the same time, auto enrolment has brought thousands of employers to the pensions market. And they'll be looking for the support of a trusted adviser to guide them through the changes.

We've developed two calculators that will help you clearly define your services, calculate appropriate charges and communicate effectively with both existing and prospective clients.

1. Work out your hourly rates

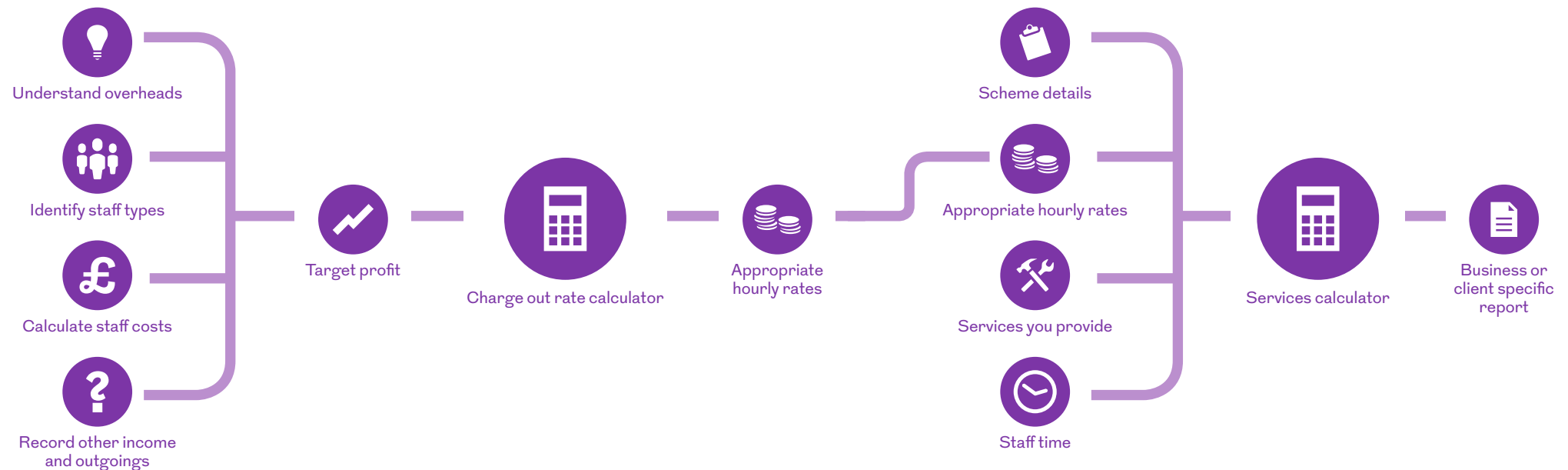
Before you can set appropriate charges for your services, you'll need to define the hourly rates for the people doing the work. And to make sure your charges will be profitable, you'll need to take all your business costs into account.

We'll help you collect all the relevant information about your business. You can then add this, along with your target profit requirements, to our charge out rate calculator. This will help you work out appropriate and profitable hourly rates for each member of your staff.

2. Define your services and charges

Next, you can use our services calculator to outline your services and charges. It holds an example list of services we think are needed to design, implement and run an auto enrolment scheme. You can use this as a starting point for building your service proposition.

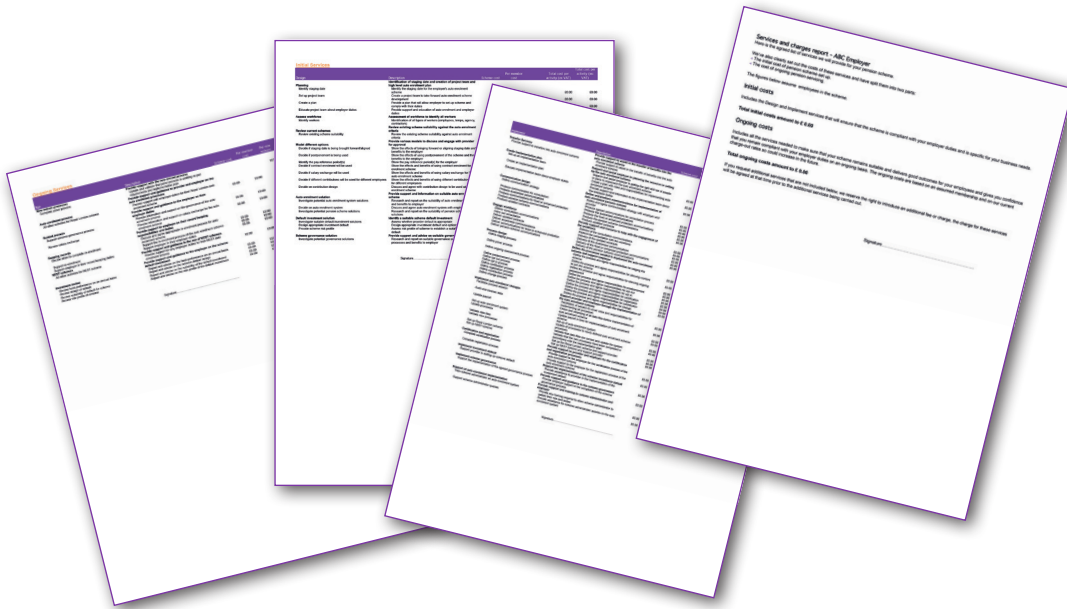
Using the hourly rates you've defined, you can then set out the staff who will be involved in the delivery of each service and the time they'll spend. This will help you work out appropriate charges for each individual client.



3. Communicate with clients

You can create client reports to communicate your corporate proposition to new and existing clients. The report will illustrate all the services you can provide and give a full breakdown of the charges involved.

This will help you give your clients a clear understanding of the support they can expect and the charges they need to pay.



Benefits for your business

Our calculators will help you calculate appropriate charges for your services based on the actual cost of running your business. They will:

- give you confidence you're running a profitable and sustainable business model
- ease regulatory pressures by giving you fully transparent charges for your services
- help you speak to existing and prospective clients about the support you can provide.

Next steps

To find out if our calculators can support your business, please speak to your usual Royal London contact or visit adviser.royallondon.com/tools-and-support/profitability/

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royallondon.com

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